

[Federal Register: November 23, 2004 (Volume 69, Number 225)]

[Proposed Rules]

[Page 68111-68119]

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[DOCID:fr23no04-23]

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## GENERAL SERVICES ADMINISTRATION

41 CFR Parts 300-3, 302-2, 302-3, 302-4, 302-5, 302-6, 302-7, 302-9, 302-11, and 302-15

[FTR Case 2003-309]

RIN 3090-AH91

Federal Travel Regulation; Relocation Allowances

AGENCY: Office of Governmentwide Policy, General Services Administration (GSA).

ACTION: Proposed rule.

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SUMMARY: The General Services Administration (GSA) Office of Governmentwide Policy (OGP) continually reviews and adjusts policies as a part of its ongoing mission to provide policy assistance to the Government agencies subject to the Federal Travel Regulation (FTR). Accordingly, GSA created the Relocation Best Practices Committee (RBPC) to examine Government relocation policy. The RBPC consists of Government as well as private sector relocation experts and produced a complete package of recommendations affecting the statutes and regulations governing relocation. The following proposed FTR changes are the result of recommendations from the RBPC from benchmarking

against private industry, and from GSA, representing Governmentwide policy interests. The proposed changes are intended to keep Government relocation practices in line with current relocation trends and allow for better management of the Government relocation programs and costs.

DATES: Comments must be received on or before January 24, 2005.

ADDRESSES: Submit comments identified by FTR case 2003-309 by any of the following methods:

Federal eRulemaking Portal: <http://www.regulations.gov>.

Follow the instructions for submitting comments.

Agency Web Site: <http://www.gsa.gov/fttr>. Click on the FTR

Case number to submit comments.

E-mail: [fttrcase.2003-309@gsa.gov](mailto:fttrcase.2003-309@gsa.gov). Include FTR case 2003-309 in the subject line of the message.

Fax: 202-501-4067.

Mail: General Services Administration, Regulatory Secretariat (V), 1800 F Street, NW., Room 4035, ATTN: Laurie Duarte, Washington, DC 20405.

Instructions: Please submit comments only and cite FTR case 2003-309 in all correspondence related to this case. All comments received will be posted without change to <http://www.gsa.gov/fttr>, including any

personal information provided.

FOR FURTHER INFORMATION CONTACT: The Regulatory Secretariat, Room 4035, GS Building, Washington, DC, 20405, (202) 208-7312, for information pertaining to status or publication schedules. For clarification of content, contact Ed Davis, Program Analyst (Team Leader), Office of Governmentwide Policy, Travel Management Policy, at (202) 208-7638. Please cite FTR case 2003-309.

SUPPLEMENTARY INFORMATION:

A. Background

The General Services Administration (GSA), Office of Governmentwide Policy (OGP), reviews the regulations under its purview to address current Government relocation needs and incorporate private industry policies and best practices, where appropriate. Relocation is an area that continuously changes. Parts of the relocation regulation, such as the storage time and temporary quarters allowance time should not stand alone but be considered in relation to each other. Changes such as these need to be made as part of a new comprehensive relocation regulation.

Much of private industry uses lump sum relocation payments for all relocation expenses except real estate expenses. Thus, temporary quarters, miscellaneous expenses, and other payments have a small one-time administrative cost and do not need to be reconciled in a post-payment audit. The administrative savings and efficiency improvements of such systems are clear.

Private industry spends less time on its relocation packages because as a rule they are tiered, more flexible to handle exceptions, and relocation expenses rarely extend beyond one year because there are no extensions. The focus is on getting the transferee settled at the new location as fast as possible in permanent quarters. The main lesson that the Government can learn from benchmarking against private industry is that expediency is important. Currently, the Government permits Federal employees to voucher items from a move up to 4 years after the move (2 years to complete a relocation plus a two year extension). This is a drain on Federal accounting systems as monies must remain allocated to cover transactions.

The Travel Management Policy Division of OGP examined the issues facing agencies and employees in a relocation. Through benchmarking sessions with private industry as well as a RBPC consisting of many agencies' relocation policy experts, the current proposed rules emerged.

## B. Proposed Changes

This proposed rule--

Amends section 300-3.1 to add the terms and definitions

for "accompanied baggage" and "unaccompanied air baggage" and change the definitions for "Household Goods (HHG)" and "Non-foreign area";

Amends sections 302-2.8, 302-2.9, 302-2.10, 302-2.11, and 302-2.110 to reduce the length of time to complete a relocation from two years to one year;

Further amends sections 302-2.11 and 302-2.110 to reduce the length of time for relocation extensions from two years to one year;

Adds two new sections to part 302-2, subpart A, and amends section 302-2.100 to require disclosure statements so that the Government will not pay for relocation expenses that are paid by another Government or private source;

Adds seven new sections to part 302-2, subpart B, to define relocation programs, relocation payment systems, and relocation management reporting systems;

Adds two new sections to part 302-3, subpart D, relating to separation travel timing and extensions;

Revises section 302-4.300 to reduce the mileage rate for relocation to be in

[[Page 68112]]

line with the Internal Revenue Service (IRS) relocation reimbursement rates;

Amends section 302-5.11 to reduce the maximum allowable number of days for a househunting trip from 10 to 8 calendar days, to be in line with industry practices;

Amends sections 302-5.13, 302-5.15, 302-5.16, 302-5.18, 302-5.101, 302-5.103 (to be redesignated as section 302-5.104), 302-6.11, 302-6.12, 302-6.301, and 302-6.304 by replacing the term "fixed amount" with the term "lump sum";

Revises section 302-5.14;

Adds a new section to part 302-5, subpart B, to establish a threshold for determining which mode of transportation (POV or common carrier) should be authorized for more cost efficient househunting trips;

Revises part 302-6, subpart C, to encourage the use of lump sum payments because of the administrative efficiency as well as the potential for cost savings;

Revises section 302-6.304 to explain the factors to consider when deciding to offer lump sum payments;

Adds two new sections to part 302-6, subpart D, regarding temporary quarters subsistence expenses (TQSE) payments requiring employees who select lump sum TQSE reimbursement to certify that TQSE expenses will be incurred, and that payment to the employee of TQSE lump will be made prior to occupancy of temporary quarters (TQ);

Revises section 302-7.2 to clarify that the definition of 18,000 pounds net weight of household goods does not include packing materials;

Revises section 302-7.4 to include an agency option for unaccompanied air baggage (UAB) as a part of the household goods allowance;

Adds a new section 302-7.8 to clarify where HHG may be temporarily stored;

Revises and redesignates section 302-7.9 limiting the maximum number of days of temporary storage of household goods to a total of 150 and requiring that the number of days allowed parallel the number of days allowed for TQSE;

Revises the new section 302-7.10 to reduce the initial temporary storage period from 90 to 60 days;

Revises newly designated section 302-7.21 specifying the responsibility for payment of weight additives;

Redesignates part 302-7, subpart D, as subpart E (Agency Responsibilities) and adds a new subpart D (Baggage Allowance) to incorporate policies for including unaccompanied air baggage in the HHG weight allowance for moves between CONUS and OCONUS;

Adds another condition to section 302-9.301 that agencies must consider before authorizing transportation of a privately owned vehicle (POV) within CONUS to assure that agencies are not domestically transporting POV's when the cost of transportation is more than the value of the POV;

Adds a new section to part 302-9, subpart F, to limit the number of POV's that may be transported at Government expense to two;

Amends and redesignates sections 302-9.504 and 302-9.505 to insure that agencies are not transporting a POV to a post of duty when the cost of transportation is more than the value of the POV and limits agency shipment of a POV to 600 miles or more;

Amends section 302-11.2 to follow guidelines in Internal Revenue Service Publication 521, Moving Expenses, for relocation by requiring the commute to new job location via commonly traveled routes from the old residence increase by at least 50 miles;

Revises section 302-11.21 to reduce the time limit for submitting claims for residence transactions from two years to one year;

Revises section 302-11.22 to reduce the time limit for extensions to submit claims for residence transactions from two years to one year;

Amends section 302-11.200 by revising the introductory paragraph to clarify that reimbursement of residence transaction expenses is limited to amounts customarily charged where the residences are located;

Revises paragraph 302-15.2 to correct grammatical error;  
and

Revises paragraph 302-15.70 to allow for direct payment of property management service fees to the Government employee, when appropriate.

Because of the insertion of several new sections in the existing regulation, some existing sections will be redesignated and therefore, several cross-references will also be changed. This proposed rule makes those changes.

#### C. Executive Order 12866

GSA has determined that this proposed rule is not a significant regulatory action for the purposes of Executive Order 12866 of September 30, 1993.

#### D. Regulatory Flexibility Act

This proposed rule is not required to be published in the Federal

Register for notice and comment; therefore, the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., does not apply.

#### E. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because this proposed rule does not impose recordkeeping or information collection requirements, or the collection of information from offerors, contractors, or members of the public which require the approval of the Office of Management and Budget under 44 U.S.C. 501 et seq.

#### F. Small Business Regulatory Enforcement Fairness Act

This proposed rule is also exempt from congressional review under 5 U.S.C. 801 since it relates solely to agency management and personnel.

List of Subjects in 41 CFR Parts 300-3, 302-2, 302-3, 302-4, 302-5, 302-6, 302-7, 302-9, 302-11 and 302-15

Government employees, Travel and transportation expenses.

Dated: November 2, 2004.

G. Martin Wagner,  
Associate Administrator, Office of Governmentwide Policy.

For the reasons set out in this preamble, 41 CFR parts 300-3, 302-2, 302-3, 302-4, 302-5, 302-6, 302-7, 302-9, 302-11, and 302-15 are proposed to be amended as set forth below:

#### PART 300-3--GLOSSARY OF TERMS

1. The authority citation for 41 CFR part 300-3 is revised to read as follows:

Authority: 5 U.S.C. 5707; 5 U.S.C. 5738; 5 U.S.C. 5741-5742; 20 U.S.C. 905(a); 31 U.S.C. 1353; 40 U.S.C. 121(c); 49 U.S.C. 40118; E.O. 11609, 3 CFR, 1971-1975 Comp., p. 586.

2. Amend section 300-3.1 by--

- a. Adding, in alphabetical order, the definitions ``Accompanied baggage," ``Excess baggage," and ``Unaccompanied air baggage (UAB)";
- b. Amending the definition of ``Household Goods (HHG)" by removing ``that can fit into a moving van" from paragraph (l)(v) and adding paragraph (l)(vii); and
- c. Amending the definition of ``Non-foreign area" by removing ``Commonwealths of Puerto Rico," and adding ``Commonwealth of Puerto Rico," in its place.

The added text reads as follows:

Sec. 300-3.1 What do the following terms mean?

Accompanied baggage--Baggage that is carried free of charge for a passenger on a common carrier. There are weight and size limitations depending on the common carrier. You should check with

[[Page 68113]]

the common carrier you are traveling on for any restrictions.

\* \* \* \* \*

Excess baggage--Preauthorized/preapproved baggage carried by a passenger on a common carrier that is in excess of the weight and size limitation that can be carried for free.

\* \* \* \* \*

Household Goods (HHG) \* \* \*

(1) \* \* \*

(vii) Unaccompanied air baggage.

\* \* \* \* \*

Unaccompanied air baggage (UAB)--Unaccompanied air baggage includes personal items and equipment (i.e., pots, pans, light housekeeping items, collapsible items (cribs, playpens, baby carriages) and other articles required for the care of the family that may be shipped by air in accordance with chapter 302 of this subtitle. Household items (i.e., refrigerators, washing machines and other major appliances or furniture) are not eligible as UAB. UAB is used in connection with permanent change of station OCONUS, renewal agreement travel, and long



term temporary duty assignments of 30 days or more. UAB is subtracted from the 18,000 pound net weight household goods allowance.

\* \* \* \* \*

## PART 302-2--EMPLOYEE ELIGIBILITY REQUIREMENTS

3. The authority citation for 41 CFR part 302-2 continues to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a).

### Sec. 302-2.8 [Amended]

4. Amend Sec. 302-2.8 by removing ``two years" and adding ``one year" in its place.

### Sec. 302-2.9 [Amended]

5. Amend Sec. 302-2.9 by removing ``2-year" and adding ``1-year" in its place.

### Sec. 302-2.10 [Amended]

6. Amend Sec. 302-2.10 by removing ``2-year" in both the heading and the text and adding ``1-year" in its place.

### Sec. 302-2.11 [Amended]

7. Amend Sec. 302-2.11 by removing ``2-year" in both the heading and the text and adding ``1-year" in its place; and removing ``2 additional years" and adding ``one additional year" in its place.

8. Revise the undesignated center heading appearing immediately before Sec. 302-2.12 to read as follows:

## Service Agreements and Disclosure Statement

Sec. Sec. 302-2.20, 302-2.21, 302-2.22 [Redesignated]

9. Redesignate Sec. Sec. 302-2.20, 302-2.21, and 302-2.22 as Sec. Sec. 302-2.22, 302-2.23, 302-2.24, respectively, and move the undesignated center heading "Advancement of Funds" to precede the newly designated Sec. 302-2.22.

9a. Add new Sec. Sec. 302-2.20 and 302-2.21 to read as follows:

Sec. 302-2.20 What is a disclosure statement?

A disclosure statement is a written statement signed by you to your agency stating that you, your immediate family, or any third party vendor have not and will not accept duplicate reimbursement for relocation expenses. The statement must be signed at the same time as the service agreement.

Sec. 302-2.21 Must I sign a disclosure statement?

Yes, you must sign a disclosure statement.

### Subpart B--Agency Responsibilities

10. Amend Sec. 302-2.100 by removing "and" at the end of paragraph (e), removing the period at the end of paragraph (f) and adding "; and" in its place, and adding paragraph (g) to read as follows:

Sec. 302-2.100 What internal policies must we establish before authorizing a relocation allowance?

\* \* \* \* \*

(g) That all relocating employees are required to sign a disclosure statement (see Sec. Sec. 302-2.20 and 302-2.21).

#### Sec. 302-2.110 [Amended]

11. Amend Sec. 302-2.110 by removing ``2-year" wherever it appears and adding ``1-year" in its place.

12. Amend Subpart B by adding a new undesignated center heading and new Sec. Sec. 302-2.200, 302-2.205, 302-2.300, 302-2.305, 302-2.400, and 302-2.405 to read as follows:

#### Relocation Programs

Sec. 302-2.200 What does the Federal relocation management program include?

The Federal relocation management program includes--

(a) All aspects of the Federal travel management program that support Federal relocation activities. (See Sec. Sec. 301-73.1 through 301-73.30.) These include, but are not limited to, a--

(1) Relocation authorization and claim system that implements the related requirements of the Federal Travel Regulation;

(2) Travel Management System (TMS) that provides reservation and ticketing support for relocation activities;

(3) Travel payment system for paying travel service providers used in support of a relocation; and use of all applicable contracts and similar arrangements, with transportation and lodging providers (e.g., Government-contract air carriers, rental car companies, trains, hotels, etc.) that give preferential rates and other benefits to Federal travelers on official business.

(b) A relocation payment system for paying relocation service providers who are not paid from the Travel payment system; and

(c) A Relocation Management Reporting System that captures and reports financial and other relocation data required by the biennial

Travel Survey (see Sec. Sec. 300-70.1 through 300-70.4 of this title).

Sec. 302-2.205 What are agency responsibilities to implement the Federal relocation management program?

Agencies must--

- (a) Designate an authorized representative to administer the program including the eTravel service or your agency's approved automated travel system;
- (b) Ensure that you have internal policies and procedures in place to implement the requirements of this chapter; and
- (c) Implement a Relocation Management Reporting System no later than September 30, 2005.

Relocation Payment System

Sec. 302-2.300 What is a relocation payment system?

A relocation payment system facilitates the payment of official relocation expenses which include, but are not limited to--

- (a) Issuance and maintenance of Government contractor issued individually billed charge cards;
- (b) Establishment of centrally billed accounts for the purchase of travel and transportation services;
- (c) Issuance of travelers checks; and
- (d) Provision of automated-teller-machine (ATM) services worldwide.

Sec. 302-2.305 How do agencies obtain relocation payment system services?

You may obtain relocation payment services by--

- (a) Participating in GSA's travel payment system;
- (b) Participating in another Federal agency's travel payment system services program; or

(c) Contracting directly with a travel payment system service if your agency

[[Page 68114]]

has contracting authority, and you are not a mandatory user of GSA SmartPay charge card program.

Note to Sec. 302-2.305: Under the GSA charge card program effective November 30, 1998, it will be your responsibility to select the vendor that will be most beneficial to your agency's travel and transportation needs.

#### Relocation Management Reporting System

Sec. 302-2.400 How do agencies acquire a Relocation Management Reporting System?

You should acquire a Relocation Management Reporting System--

- (a) As one of the services offered by a relocation management company under contract with the Federal Government;
- (b) As a separate service provided by third party companies who specialize in such relocation management information services, or as a service provided by another Federal agency; or
- (c) You may also use relocation reporting capabilities that are included with your agency's financial management system, provided that those capabilities are sufficient to satisfy the data capture and reporting requirements of a Relocation Management Reporting System. (See Sec. 302-2.200.)

Sec. 302-2.405 May we obtain an exception from the use of a Relocation Management Reporting System?

Yes, your agency head may request an extension on the implementation deadline by writing the Administrator of General

Services, explaining the reason for the delay, and proposing an alternative deadline that would be more achievable by your agency that is no later than September 30, 2006. Requests for exceptions should be sent to the Office of Governmentwide Policy, Travel Management Policy, Room G-219, General Services Administration, 1800 F Street, NW., Washington, DC 20405.

#### PART 302-3--RELOCATION ALLOWANCE BY SPECIFIC TYPE

13. The authority citation for 41 CFR part 302-3 continues to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a).

Sec. Sec. 302-3.304 through 302-3.315 [Redesignated]

14. Redesignate Sec. Sec. 302-3.304 through 302-3.315 as Sec. Sec. 302-3.306, 302-3.307, 302-3.308, 302-3.309, 302-3.310, 302-3.311, 302-3.312, 302-3.313, 302-3.314, 302-3.315, 302-3.316, 302-3.317, respectively, and add new Sec. Sec. 302-3.304 and 302-3.305 to read as follows:

Sec. 302-3.304 Is there a time limit by when I must begin my relocation travel and transportation of household goods upon separation?

Yes, all travel and transportation of household goods must begin no later than six months after--

- (a) Your date of separation; or
- (b) The date of death of the employee who died before separation.

Sec. 302-3.305 May I be granted an extension to the time limit for beginning my separation travel?

Yes, your agency may grant you or your immediate family member(s)

(in case of your death) an extension to the time limit for beginning your separation travel, for up to 2 years from your effective date of separation or death, if you died before separation.

Sec. 302-3.306 [Amended]

15. Amend newly redesignated Sec. 302-3.306 by removing ``Sec. 302-3.307" in the introductory paragraph and adding ``Sec. 302-3.309" in its place.

Sec. 302-3.307 [Amended]

16. Amend newly redesignated Sec. 302-3.307 by removing ``Sec. 302-3.304" in paragraph (b) and adding ``Sec. 302-3.306" in its place.

Sec. 302-3.308 [Amended]

17. Amend newly redesignated Sec. 302-3.308 by removing ``Sec. 302-3.307" in the introductory paragraph and adding ``Sec. 302-3.309" in its place.

PART 302-4--ALLOWANCES FOR SUBSISTENCE AND TRANSPORTATION

18. The authority citation for 41 CFR part 302-4 continues to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13747, 3 CFR, 1971-1973 Comp., p. 586.

19. Revise Sec. 302-4.300 to read as follows:

Sec. 302-4.300 What is the POV mileage rate for PCS travel?

When PCS travel by POV is authorized/approved, the mileage reimbursement allowance shall not exceed that established, in any given year, by the IRS for moving expense deductions. See IRS Publication 521, Moving Expenses, available on the Internet at <http://www.irs.gov>.

#### PART 302-5--ALLOWANCE FOR HOUSEHUNTING TRIP EXPENSES

20. The authority citation for 41 CFR part 302-5 is revised to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13747, 3 CFR, 1971-1973 Comp., p. 586.

#### Sec. 302-5.11 [Amended]

21. Amend Sec. 302-5.11 by removing ``10" and adding ``8" in its place.

#### Sec. 302-5.13 [Amended]

22. Amend Sec. 302-5.13 by removing ``fixed amount" wherever it appears and adding ``lump sum" in its place.

23. Revise Sec. 302-5.14 to read as follows:

#### Sec. 302-5.14 What transportation expenses will my agency pay?

(a) Your agency will authorize you to travel by any transportation mode (e.g., common carrier or POV) it determines to be advantageous to the Government. Your agency will pay for your transportation expenses by the authorized mode. If you travel by any other mode, your agency will pay your transportation expenses not to exceed the cost of transportation by the authorized mode. Generally, trips of under 250 miles will only be reimbursed for POV mileage and only at the rate



prescribed in Sec. 302-4.300 of this chapter.

(b) Unless the agency performs a written cost comparison proving cost savings, only common carrier will be authorized for trips with a distance greater than 250 miles.

Sec. 302-5.15 [Amended]

24. Amend Sec. 302-5.15 by removing ``fixed amount" wherever it appears and adding ``lump sum" in its place.

Sec. 302-5.16 [Amended]

25. Amend Sec. 302-5.16 by removing ``Sec. 302-2.20" and adding ``Sec. Sec. 302-2.21 and 302-2.22" in its place; and by removing ``fixed amount" wherever it appears and adding ``lump sum" in its place.

Sec. 302-5.18 [Amended]

26. Amend Sec. 302-5.18 by removing ``fixed amount" in the section heading and adding ``lump sum" in its place; and removing ``fixed" in the section text and adding ``lump sum" in its place.

Sec. 302-5.101 [Amended]

27. Amend Sec. 302-5.101 by removing ``fixed amount" wherever it appears and adding ``lump sum" in its place.

Sec. 302-5.103 [Redesignated]

28. Redesignate Sec. 302-5.103 as Sec. 302-5.104 and add a new Sec. 302-5.103 to read as follows:

Sec. 302-5.103 What modes of transportation may we authorize for a househunting trip?

(a) When the new official station is less than 250 miles from the old official station, you should only authorize the use of the employee's POV for a

[[Page 68115]]

househunting trip (HHT) and reimbursement for POV mileage at the rate prescribed in this part.

(b) When the new official station is 250 miles or more from the old official station, you may authorize the use of the common carrier transportation or POV for a househunting trip, whichever is most advantageous to the Government. Reimbursement for the related transportation costs is prescribed in part 302-5 of this chapter.

(c) Exceptions for this rule may be granted by the agency when an employee or immediate family member(s) has special circumstances requiring an exception (see Sec. 303-13).

Sec. 302-5.104 [Amended]

29. Amend newly redesignated Sec. 302-5.104 by removing "fixed amount" wherever it appears and adding "lump sum" in its place.

PART 302-6--ALLOWANCE FOR TEMPORARY QUARTERS SUBSISTENCE EXPENSES (TQSE)

30. The authority citation for 41 CFR part 302-6 is revised to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13747, 3 CFR, 1971-1973 Comp., p. 586.

Sec. Sec. 302-6.11 and 302-6.12 [Amended]

31. Amend Sec. Sec. 302-6.11 and 302-6.12 by removing "fixed amount" wherever it appears and adding "lump sum" in its place.

Sec. 302-6.15 [Amended]

32. Amend Sec. 302-6.15 by removing "Sec. 302-2.20" and adding "Sec. Sec. 302-2.21, 302-2.22, and 302-2.23" in its place.

33. Revise Sec. 302-6.100 to read as follows:

Sec. 302-6.100 What am I paid under the actual TQSE reimbursement method?

Your agency will pay your actual TQSE incurred, provided the expenses are reasonable and do not exceed the maximum allowable amount. The "maximum allowable amount" is the "maximum daily amount" multiplied by the number of days you actually incur TQSE not to exceed the number of days authorized, taking into account that the rates decrease after the first 30 days. The "maximum daily amount" is determined by adding the rates in the following table for you and each member of your immediate family authorized to occupy temporary quarters:

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	The "maximum daily amount" of TQSE under the actual expense		
method	that--		
	-----		
	Your accompanied spouse		
For	You and your	or a member of your	Any member of your
	unaccompanied spouse\1\	immediate family age 12	immediate family
under	may each receive is--	or older may each	age 12 may each receive

receive is-- is--

---

Day 1 to Day 30.....	100% x the applicable	75% x the applicable	50% x the applicable
	per diem rate.	per diem rate.	per diem rate.
Day 31 to Day 120.....	55% x the applicable	40% x the applicable	30% x the applicable
	per diem rate.	per diem rate.	per diem rate.

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\1\ (That is, when the spouse necessarily occupies temporary quarters in lieu of the employee or in a location separate from the employee.)

34. Revise subpart C, consisting of Sec. Sec. 302-6.200 through 302-6.204 to read as follows:

Subpart C--Lump Sum Payment

Sec. 302-6.200 What am I paid under the lump sum payment reimbursement method?

If your agency offers and you select the lump sum TQSE payment, you are paid a lump sum for each day authorized up to 30 days. No extensions are allowed under the lump sum payment.

Sec. 302-6.201 How do I determine the amount of my lump sum payment?

(a) Multiply the number of days your agency authorizes TQSE by the maximum per diem rate (i.e., lodging plus meals and incidental expenses) prescribed in FTR Per Diem Bulletin for the locality i.e., the old or new official station or combination thereof, where temporary quarters will be occupied.

(b) For each member of your immediate family, multiply the same number of days by .25 times the same per diem rate.

(c) Your payment will be the sum of the calculations in paragraphs (a) and (b).

Sec. 302-6.202 Will I receive additional TQSE reimbursement if my lump sum payment is not adequate to cover my actual TQSE?

No, you will not receive additional TQSE reimbursement if the lump sum payment is not adequate to cover your actual TQSE.

Sec. 302-6.203 May I retain any balance left over from my TQSE lump sum payment if such payment is more than adequate?

Yes, if your lump sum TQSE payment is more than adequate to cover your actual TQSE expenses, any balance belongs to you.

Note to Sec. 302-6.203: For example, if your agency authorizes and you accept a lump sum payment for 15 days of TQSE and you vacate temporary quarters after 10 days for any reason, you would retain the remaining balance for the 5 days of TQSE not incurred.

Sec. 302-6.204 Am I required to file a voucher for TQSE if I selected the lump sum payment?

No, the intent of the lump sum payment is to simplify the process and eliminate the need for filing a voucher, however, your agency may request proof that you actually occupied temporary quarters and in the absence of sufficient proof, demand repayment of the TQSE lump sum payment in accordance with Sec. 302-6.305.

Sec. 302-6.301 [Amended]

34a. Amend Sec. 302-6.301 by removing "fixed amount" wherever it appears and adding "lump sum" in its place.

35. Revise Sec. 302-6.304 to read as follows:

Sec. 302-6.304 What factors should we consider in determining whether to offer an employee the lump sum payment option for TQSE?

When determining whether to offer an employee the lump sum payment option for TQSE, the following factors should be considered:

(a) Ease of administration. A lump sum for TQSE is paid to the employee prior to the occupancy of temporary quarters, and the voucher review process is eliminated under this method. Actual TQSE reimbursement requires an agency to review claims and receipts for the validity, accuracy, and reasonableness of each expense amount.

(b) Cost consideration. You must weigh the cost of each alternative. Actual TQSE reimbursement may extend up to 120 consecutive days, while the lump sum payment is limited to a maximum of 30 days.

(c) Treatment of employee. The employee is allowed to choose between actual TQSE reimbursement and the lump sum TQSE payment when you

[[Page 68116]]

offer the lump sum TQSE payment method. You therefore should weigh employee morale and productivity considerations against actual cost considerations in determining which method to offer.

Sec. 302-6.305 [Redesignated as Sec. 302-6.307]

36. Redesignate Sec. 302-6.305 as Sec. 302-6.307.

37. Add new Sec. Sec. 302-6.305 and 302-6.306 to read as follows:

Sec. 302-6.305 Must we require transferees to sign a statement that TQSE was incurred?

Yes, transferees electing the lump sum TQSE reimbursement option must sign a statement that they will occupy temporary quarters and

incur TQSE expenses. If no TQSE expenses are incurred, all monies advanced for the lump sum TQSE payment must be returned to the agency. You must not authorize lump sum TQSE for employees who do not need temporary quarters.

Sec. 302-6.306 When must we make the lump sum TQSE payment to the transferee?

You must pay the transferee the lump sum TQSE payment prior to the occupancy of temporary quarters.

#### PART 302-7--TRANSPORTATION AND TEMPORARY STORAGE OF HOUSEHOLD GOODS AND PROFESSIONAL BOOKS, PAPERS, AND EQUIPMENT (PBP&E)

38. The authority citation for 41 CFR part 302-7 continues to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13747, 3 CFR, 1971-1973 Comp., p. 586.

Sec. 302-7.1 [Amended]

39. Amend Sec. 302-7.1 by removing ``Sec. 302-3.304" from paragraph (d) and adding ``Sec. 302-3.306" in its place.

40. Revise Sec. 302-7.2 to read as follows:

Sec. 302-7.2 What is the maximum weight of HHG that may be transported or stored at Government expense?

By statute, the maximum weight allowance of HHG that may be shipped or stored at Government expense is 18,000 pounds net weight. The HHG net weight is determined by subtracting 10 percent from the shipment net weight as shown on the shipping documents to reflect the weight of packing materials.

41. Revise section 302-7.4 to read as follows:

Sec. 302-7.4 Does the weight of any professional books, papers and equipment (PBP&E) or Unaccompanied Air Baggage (UAB) count against the 18,000 pound HHG weight limitation?

(a) Yes, the weight of any PBP&E and UAB (see subpart D of this part) is generally part of and not in addition to the 18,000 pounds net HHG weight limitation. However, if the weight of any PBP&E causes the lot to exceed 18,000 pounds net weight, the excess weight of the PBP&E may be transported to the new duty station as an administrative expense of the agency. To the extent possible for ease of administration, the PBP&E items should be included as part of the HHG shipment. Only in the case of an overweight shipment should a separate administrative expense be charged to the agency, and only for the overweight portion of the shipment. Authorization for such shipment is granted solely at the discretion of the agency and subject to its policies governing such shipment. (See definition of PBP&E in Sec. 300-3.1 of this subtitle.)

(b) If PBP&E are included with an HHG shipment and cause an overweight condition, you must identify this fact and the total weight of the PBP&E, so that your agency is made aware of this situation and determine whether or not to approve the shipment of the overweight PBP&E.

Sec. Sec. 302-7.8 through 302-7.20 [Redesignated]

42. Redesignate Sec. Sec. 302-7.8 through 302-7.20 as Sec. Sec. 302-7.9, 302-7.10, 302-7.11, 302-7.12, 302-7.13, 302-7.14, 302-7.15, 302-7.16, 302-7.17, 302-7.18, 302-7.19, 302-7.20, 302-7.21, respectively, and add a new Sec. 302-7.8 to read as follows:

Sec. 302-7.8 At what location may my HHG be temporarily stored?

Your HHG may be placed in temporary storage at origin, in transit,



at destination, or any combination thereof upon agency approval.

43. Revise newly redesignated Sec. 302-7.9 to read as follows:

Sec. 302-7.9 Is there a time limit for the temporary storage of an authorized HHG shipment?

(a) The initial period of temporary storage at Government expense shall not exceed 60 days in connection with any authorized HHG shipment. However, upon your written request, up to an additional 90 days may be authorized by the designated agency official. In no case may the maximum time limit for temporary storage exceed 150 days.

(b) The number of days authorized for HHG storage must coincide with the number of days authorized for TQSE. For example, if TQSE is authorized for 60 days, storage of HHG must be equal to the number of days authorized for TQSE plus a reasonable number of days for delivery from the storage location (not to exceed 14 days).

Sec. 302-7.10 [Amended]

44. Amend newly redesignated Sec. 302-7.10 by removing ``90-day" and adding ``60-day" in its place in the section heading and introductory paragraph.

45. Revise newly redesignated Sec. 302-7.16 to read as follows:

Sec. 302-7.16 Must I use the method selected by my agency for transporting my HHG, PBP&E and temporary storage?

No, you do not have to use the method selected (Sec. 302-7.301) by your agency for transporting your HHG, PBP&E and temporary storage. You may pursue other methods. However, your reimbursement is limited to the actual cost incurred, not to exceed what the Government would have incurred under the method selected by your agency.

46. Revise newly redesignated Sec. 302-7.21 to read as follows:

Sec. 302-7.21 If my HHG shipment includes an item (e.g., boat, trailer, ultralight vehicle) for which a weight additive is assessed by the HHG carrier, am I responsible for payment?

Yes, you are responsible for the shipping charges resulting from the weight additive as well as any special packing, crating, and handling of the weight additive items. If your HHG shipment includes an item (e.g., boat or trailer) for which a weight additive is assessed by the HHG carrier (as prescribed in applicable tariffs), only the actual weight of the item and not the weight additive is included in the computation of the maximum weight prescribed in Sec. 302-7.2. (For example, when a weight additive of 700 pounds is imposed by a HHG carrier on a 65-pound canoe, only the 65 pounds is charged against the employee's 18,000 pounds net weight allowance). See Sec. 302-7.200 on how charges are paid and who makes the shipping arrangements.

47. Revise subpart D and add a new subpart E to read as follows:

#### Subpart D--Baggage Allowance

302-7.300 When may I be authorized a UAB shipment?

302-7.301 Is my UAB shipment in addition to the 18,000 pounds net weight of HHG weight allowance?

302-7.302 What is the maximum weight allowance for a UAB shipment?

302-7.303 When may my agency authorize the shipment of UAB?

[[Page 68117]]

302-7.304 Is there a time limit for shipment of my UAB?

302-7.305 Who makes arrangements for transporting my UAB?

#### Subpart E--Agency Responsibilities

302-7.400 What policies and procedures must we establish for this part?

302-7.401 What method of transportation should we authorize for

shipment of HHG and temporary storage?

302-7.402 What method of transportation should we authorize for shipment of PBP&E and UAB?

302-7.403 What guidelines must we follow when authorizing transportation of PBP&E as an administrative expense?

302-7.404 When HHG are shipped under the actual expense method and PBP&E are shipped as an administrative expense in the same lot, are separate weight certificates required?

302-7.405 How must we arrange transportation of HHG and UAB?

#### Subpart D--Baggage Allowance

Sec. 302-7.300 When may I be authorized a UAB shipment?

You may be authorized a UAB shipment prior to transferring from a CONUS location to an OCONUS location, between OCONUS locations, and from an OCONUS location to a CONUS location.

Sec. 302-7.301 Is my UAB shipment in addition to the 18,000 pounds net weight of HHG weight allowance?

No, the UAB shipment is part of, not in addition to, the 18,000 pounds net weight allowance for HHG.

Sec. 302-7.302 What is the maximum weight allowance for a UAB shipment?

The maximum weight allowance for a UAB shipment is--

(a) 350 pounds net weight for the employee and for each immediate family member 12 years of age and over; or

(b) 175 pounds net weight for each immediate family member under 12 years of age.

Sec. 302-7.303 When may my agency authorize the shipment of UAB by expedited means?

Your agency may authorize the shipment of UAB by expedited means when--

- (a) Shipment by a lower cost mode cannot provide the required service, or
- (b) You certify that your UAB is necessary to carry out your assigned duties, or
- (c) Your agency determines that an expedited shipment is necessary to prevent undue hardship to you and members of your immediate family.

Sec. 302-7.304 Is there a time limit for shipment of my UAB?

Yes, your UAB must be shipped prior to your departure from your old duty station to ensure that your shipment arrives by the time you report to your new duty station. Arrangements should begin prior to your departure to your new duty station.

Sec. 302-7.305 Who makes arrangements for transporting my UAB?

Your agency or your agency's designee should arrange for the transport of your UAB.

#### Subpart E--Agency Responsibilities

Note to subpart E: Use of pronouns ``we", ``you", and their variants throughout this subpart refers to the agency.

Sec. 302-7.400 What policies and procedures must we establish for this part?

You must establish policies and procedures as required for this part, including who will--

- (a) Administer your household goods program;

(b) Authorize PBP&E to be transported as an agency administrative expense;

(c) Authorize an employee to ship UAB;

(d) Authorize temporary storage in excess of the initial 60-day limit;

(e) Collect any excess cost or charges;

(f) Advise the employee on the Government's liability for any loss and damage claims under 31 U.S.C. 3721-3723; and

(g) Ensure that international HHG shipments by water are made on ships registered under the laws of the United States whenever such ships are available.

Sec. 302-7.401 What method of transportation should we authorize for shipment of HHG and temporary storage?

There are two methods of transporting HHG and providing for temporary storage, actual expense and commuted rate. As a general rule, you should authorize the method that is less costly to the Government. The selected method should be stated on the relocation travel authorization. Additional considerations that might affect your choice of method are:

(a) Actual Expense Method. Under the actual expense method, the Government assumes the responsibility for arranging and paying for the actual expenses of all aspects of transporting the employee's HHG, including PBP&E (e.g., packing/unpacking, pickup/delivery, weighing, line-haul, drayage, temporary storage, etc.). This method is used for all shipments OCONUS and within CONUS, where deemed economical to the Government.

(b) Commuted Rate System. Under the commuted rate system, the employee assumes total responsibility for arranging and paying for the following services: Packing/unpacking, crating/uncrating, pickup/delivery, weighing, line-haul, drayage, and temporary storage of the employee's HHG (including PBP&E) with a commercial HHG carrier or by renting self drive equipment for a do-it-yourself move. The commuted rate is calculated based on published freight tariffs applied to the actual weight of the goods being shipped (subject also to the weight

limitation in Sec. 302-7.2). The commuted rate method may be used in lieu of the actual expense method for relocation or first duty station assignment within CONUS, as long as using this method is less expensive than using the actual expense method. If PBP&E make the weight of a shipment under the commuted rate method go over the 18,000 net weight limit for HHE, then the actual cost of shipping that excess weight must be paid as an administrative expense of the agency. In this case, all related transportation arrangements (e.g., packing/unpacking, pickup/delivery, weighing, temporary storage, etc.) associated with shipping this excess weight will be handled and paid for by your agency.

Sec. 302-7.402 What method of transportation should we authorize for shipment of PBP&E and UAB?

You should authorize the actual expense method for transporting an employee's PBP&E only when the weight of the PBP&E causes the employee's shipment to exceed the maximum 18,000 pounds net HHG weight limitation and in accordance with Sec. 302-7.403. PBP&E and UAB should be weighed prior to shipment, if necessary, so the weight can easily be deducted from the 18,000 pounds net weight allowance. The PBP&E shipment should then be made separate from the HHG shipment and is an administrative expense to your agency if your agency authorized PBP&E and the PBP&E caused the HHG shipment to go overweight.

Sec. 302-7.403 What guidelines must we follow when authorizing transportation of PBP&E as an administrative expense?

You have the sole discretion to authorize transportation of PBP&E as an administrative expense and may do so provided that--

(a) An itemized inventory of PBP&E is provided for review by the authorizing official at the new official station;

[[Page 68118]]

(b) The authorizing official at the new official station has

certified that the PBP&E are necessary for performance of the employee's duties at the new duty station, and if these items were not transported, the same or similar items would have to be obtained at Government expense for the employee's use at the new official station; and

(c) You have acquired evidence that transporting the PBP&E would cause the employees' HHG to exceed the 18,000 pounds maximum net weight allowance.

Sec. 302-7.404 When HHG are shipped under the actual expense method and PBP&E are shipped as an administrative expense in the same lot, are separate weight certificates required?

Yes, separate weight certificates are required. The weight of PBP&E and the administrative appropriation chargeable must be listed as separate items on the bill of lading or other shipping document.

Sec. 302-7.405 How must we arrange transportation of HHG and UAB?

When arranging transportation of HHG and UAB, you should--

(a) Determine the constructive cost of transporting HHG plus UAB, not to exceed 18,000 pounds net weight in one lot by the most economical means and limit the employee's HHG transportation payment to such constructive cost;

(b) Make arrangements for transporting the employee's UAB under the appropriate bill of lading with direct payment by the agency; and

(c) Advise employees of this relocation entitlement limitation and its potential to result in out-of-pocket expenses to the employee.

Advise employees that they will have to use their personal funds to pay for transporting HHG (including UAB) in excess of 18,000 pounds net weight.

48. Add Appendix A to part 302-7 as follows:

Appendix A to Part 302-7--How to Calculate a Constructive Cost

An employee is authorized temporary duty (TDY) in Dallas, TX, from his/her permanent duty station in Washington, DC.

Employee is authorized to travel by commercial air; however, employee elects to travel by privately owned vehicle (POV) (not authorized). Maximum per diem rate for Dallas, TX, at the time of the TDY assignment, \$142.00 (\$95.00 maximum lodging plus \$47.00 (meals and incidental expenses (M&IE)). Actual lodging cost at Dallas, TX, was \$85.00.

Total Constructed Travel Cost By Common Carrier

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Round-trip air coach ticket (city-pair fare paid by Government) =.....	\$355.71
Taxi fare residence to airport =.....	\$35.00
Taxi fare airport to hotel =.....	\$25.00
First Day - travel to Dallas: 75% of M&IE rate for Dallas, plus lodging cost = \$35.25 (75% x \$47.00) plus \$85.00 lodging cost =.....	\$120.25
Three full days TDY in Dallas: 3 days x \$132.00 (\$85.00 lodging + \$47.00 M&IE) =.....	\$396.00
Last Day - return to PDS Washington, DC: 75% of M&IE rate for Dallas, TX = (75% X \$47.00) =.....	\$35.25
Lodging Taxes in Dallas (13%) =.....	\$44.20
Taxi fare hotel to airport =.....	\$25.00
Taxi fare airport to residence =.....	\$35.00
Total constructed cost by common carrier =.....	\$1,071.41

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PART 302-9--ALLOWANCES FOR TRANSPORTATION AND EMERGENCY STORAGE OF A PRIVATELY OWNED VEHICLE

49. The authority citation for 41 CFR part 302-9 continues to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR



13747, 3 CFR, 1971-1973 Comp., p. 586.

Sec. 302-9.140 [Amended]

50. Amend Sec. 302-9.140 in paragraph (a) by removing ``Sec. 302-9.503" and adding ``302-9.504" in its place.

Sec. 302-9.170 [Amended]

51. Amend Sec. 302-9.170 by removing ``302-9.503" in paragraph (d) and adding ``302-9.504" in its place.

52. Amend Sec. 302-9.301 by removing ``and" at the end of paragraph (b), removing the period at the end of paragraph (c) and adding `";" in its place, and adding paragraphs (d) and (e) to read as follows:

Sec. 302-9.301 Under what conditions may my agency authorize transportation of my POV within CONUS?

\* \* \* \* \*

(d) Your agency must determine that the cost of transporting your POV is not greater than the value of your POV; and

(e) The distance to be shipped is 600 miles or more.

53. Revise Sec. 302-9.302 to read as follows:

Sec. 302-9.302 How many POV's may I be authorized to transport within CONUS?

You may be authorized to transport up to two POV's within CONUS at Government expenses under this subpart, provided your agency determines such transportation is advantageous and cost effective to the Government in accordance with Sec. 302-9.301.

Sec. Sec. 302-9.501 through 302-9.505 [Redesignated]

54. Redesignate Sec. Sec. 302-9.501 through 302-9.505 as Sec. Sec. 302-9.502, 302-9.503, 302-9.504, 302-9.505, 302-9.506, respectively, and add a new Sec. 302-9.501 to read as follows:

Sec. 302-9.501 How many POV's may we authorize for transporting at Government expense?

You may authorize transportation of up to two POV's at Government expense.

Sec. 302-9.504 [Amended]

55. Amend newly designated Sec. 302-9.504 by removing the reference to "Sec. 302-9.504" and adding "Sec. 302-9.505" in its place.

56. Amend newly designated Sec. 302-9.505 by removing "and" at the end of paragraph (c), removing the period at the end of paragraph (d) and adding "; and" in its place, and adding paragraph (e) to read as follows:

Sec. 302-9.505 What factors must we consider in deciding whether to authorize transportation of a POV to a post of duty?

\* \* \* \* \*

(e) Cost of transporting the POV to the new duty station will be greater than the value of the POV.

57. Amend newly designated Sec. 302-9.506 by removing the period at the end of paragraph (d) and adding "; and" in its place, and adding paragraph (e) to read as follows:

Sec. 302-9.506 What must we consider in determining whether transportation of a POV within CONUS is cost effective?

\* \* \* \* \*

(e) Cost of transporting the POV to the new duty station will be greater than the value of the POV.

[[Page 68119]]

#### PART 302-11--ALLOWANCES FOR EXPENSES INCURRED IN CONNECTION WITH RESIDENCE TRANSACTIONS

58. The authority citation for 41 CFR part 302-11 continues to read as follows:

Authority: 5 U.S.C. 5738 and 20 U.S.C. 905(c).

59. Amend Sec. 302-11.2 by removing the period at the end of paragraph (b)(2) and adding ``; and" in its place, and adding paragraphs (c) and (d) to read as follows:

Sec. 302-11.2 Am I eligible to receive an allowance for expenses incurred in connection with my residence transactions?

\* \* \* \* \*

(c) For this allowance to be tax deductible, your commute from the old residence to the new duty station by commonly traveled routes must increase by at least 50 miles. (See Internal Revenue Service Publication 521, Moving Expenses.) However, the head of your agency or designee may authorize an exception to the 50-mile threshold on a case-by-case basis when he/she determines that it is in the best interest of the Government. If such an exception is authorized, however, this allowance is not tax deductible.

(d) Any relocation must be incident to the transfer and not for the convenience of the employee.

Sec. 302-11.21 [Amended]

60. Amend Sec. 302-11.21, in the second sentence, by removing ``two years" and adding ``one year" in its place.

61. Revise Sec. 302-11.22 to read as follows:

Sec. 302-11.22 May the 1-year time limitation be extended by my agency?

Yes, your agency may extend the 1-year limitation for up to one additional year for reasons beyond your control and acceptable to your agency.

62. Amend Sec. 302-11.200 by revising the introductory paragraph to read as follows:

Sec. 302-11.200 What residence transaction expenses will my agency pay?

Your agency will reimburse you for residence transaction expenses not to exceed those customarily charged in the locality where the residence is located. Provided that they are customarily paid by the seller of a residence at the old official station or by the purchaser of a residence at the new official station, your agency will pay the following expenses:

\* \* \* \* \*

PART 302-15--ALLOWANCE FOR PROPERTY MANAGEMENT SERVICES

63. The authority citation for 41 CFR part 302-15 continues to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13747, 3 CFR, 1971-1973 Comp., p. 586.

64. Revise Sec. 302-15.2 to read as follows:

Sec. 302-15.2 What are the purposes of the property management services allowance?

The purposes of the property management allowance are--

(a) To reduce overall Government relocation costs by using the property management allowance in place of the allowances for the sale of the employee's residence; and

(b) To relieve employees transferred OCONUS from the costs of maintaining a home in the United States during their tour of duty.

65. Revise Sec. 302-15.70 to read as follows:

Sec. 302-15.70 What governing policies must we establish for the allowance for property management services?

You must establish policies and procedures governing--

(a) When you will authorize payment for property management services for an employee who transfers in the interest of the Government;

(b) When it is appropriate to authorize this service on a reimbursable basis to the employee, rather than paying the property management company directly as long as any reimbursement is limited to the agency negotiated rate for this service or lower;

(c) Who will determine, for relocations to official duty stations in the United States, whether payment for property management services is more advantageous and cost effective than sale of an employee's residence at Government expense;

(d) If and when you will allow an employee who was offered and accepted payment for property management services to change his/her residence at Government expense in accordance with paragraph (e) of this section; and

(e) How you will offset expenses you have paid for property management services against payable expenses for sale of the employee's residence when an eligible employee who elected payment for property management services later changes his/her mind and elects instead to sell his/her residence at Government expense.

[FR Doc. 04-25890 Filed 11-22-04; 8:45 am]

BILLING CODE 6820-14-S