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**SUPPLEMENTARY INFORMATION:** In the Final Rules section of this **Federal Register**, EPA is approving the State's SIP submittal as a direct final rule without prior proposal because the Agency views this as a noncontroversial submittal and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to this rule, no further activity is contemplated. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. EPA will not institute a second comment period. Any parties interested in commenting on this action should do so at this time. Please note that if EPA receives adverse comment on an amendment, paragraph, or section of this rule, and if that provision may be severed from the remainder of the rule, EPA may adopt as final those provisions of the rule that are not the subject of an adverse comment. For additional information, see the direct final rule which is located in the Rules section of this **Federal Register**.

Dated: July 24, 2007.

**Walter W Kovalick Jr.,**

*Acting Regional Administrator, Region 5.*

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## GENERAL SERVICES ADMINISTRATION

### 41 CFR Parts 300-3, 302-3, 302-5, 302-7, 302-12, and 302-16

[FTR Case 2007-304; Docket 2007-0002, Sequence 1]

RIN 3090-A137

### Federal Travel Regulation; FTR Case 2007-304, Relocation Allowances—Governmentwide Relocation Advisory Board

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

**ACTION:** Proposed rule.

**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 Governmentwide Relocation Advisory Board (GRAB), consisting of Government and private industry relocation experts, to examine Government relocation policy. To allow for the use of private industry expertise in the rulemaking and possible legislative actions, the GRAB was chartered through the Federal Advisory Committee Act on July 9, 2004. The GRAB submitted a final report of its findings on September 15, 2005. If implemented, the 100 plus recommendations of the GRAB would keep Government relocation practices aligned with private sector best practices, as well as improve the overall management of Government relocation programs and reduce costs. This proposed rule transforms many of the GRAB's recommendations into FTR policy. The GRAB Findings and Recommendations and corresponding documents may be accessed at GSA's Web site at <http://www.gsa.gov/grab>.

**DATES:** Interested parties should submit comments in writing on or before October 2, 2007 to be considered in the formulation of a final rule.

**ADDRESSES:** Submit comments identified by FTR case 2007-304 by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Search for any document by first selecting the proper document types and selecting "General Services Administration - All" as the agency of choice. At the "Keyword" prompt, type in the FTR case number (for example, FTR Case 2007-304) and click on the "Submit" button. You may also search for any document by clicking on the "Advanced search/document search" tab at the top of the screen, selecting from the agency field "General Services Administration - All", and typing the FTR case number in the keyword field. Select the "Submit" button.

- Fax: 202-501-4067.

- Mail: General Services

Administration, Regulatory Secretariat (VIR), 1800 F Street, NW., Room 4035, ATTN: Laurieann Duarte, Washington, DC 20405.

**Instructions:** Please submit comments only and cite FTR case 2007-304 in all correspondence related to this case. All comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided.

**FOR FURTHER INFORMATION CONTACT:** Mr. Ed Davis, Office of Travel, Transportation and Asset Management (MT), General Services Administration at (202) 208-7638 or e-mail at

[ed.davis@gsa.gov](mailto:ed.davis@gsa.gov) for clarification of content. For information pertaining to status or publication schedules, contact the FAR Secretariat at (202) 501-4755. Please cite FTR case 2007-304.

#### 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 incorporates private industry policies and best practices, where appropriate. The relocation services industry is complex and changes frequently. Changes in relocation policy need to be made to comport with industry best practices.

With the exception of the Relocation Income Tax Allowance (RITA), which will be addressed in a subsequent proposed rule, most of the cost of a relocation is related to the residence transactions. The Federal Government has traditionally reimbursed up to 10 percent of the selling price of the previous residence and 5 percent of the purchase price of the new home (this is known as direct reimbursement). Currently, the tax implications of this transaction are handled through a two-year RITA process, and there are long delays in getting equity into the hands of the employee so that a new residence can be purchased. Through a homesale program, directed by a contracted vendor, these two issues can be solved for the benefit of both the agency and employee. The result is that the employee receives equity when selling to the contracted vendor, and this transaction if accomplished through a vendor, is not taxable to the employee.

For smaller relocation expenses such as the Miscellaneous Expense Allowance (MEA), much of private industry uses lump-sum payments. These 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 because far less staff time is needed to administer, monitor, and audit payments in a lump-sum scenario.

Private industry spends less time on its relocation packages because they are tiered and handle special circumstances more flexibly. Also, in private industry, payment or reimbursement of relocation expenses to the employee or third party vendor rarely extends beyond one year because there are few extensions. The focus is on getting the transferee settled at the new location in permanent quarters as quickly as possible. The main lesson that the Government can

learn from benchmarking against private industry is that efficiency is important.

OGP has examined the issues facing agencies and their relocating employees. Through GRAB recommendations, internal GSA discussions, consideration of Governmentwide policy interests, and comments added by the Executive Relocation Steering Committee, this proposed rule emerged.

### B. Proposed Rule

This proposed rule implements some of the GRAB's recommendations. The changes in part 302 will necessitate the addition of the following definitions to part 300-3: amended value sale, appraised value sale, buyer's value option (BVO), fair market value, and relocation services company (RSC).

The proposed changes to 41 CFR Chapter 302 are designed to:

*Reinforce the difference between mandatory and discretionary relocation allowances and clarify the tables in part 302-3-* The GRAB wanted to ensure that the FTR highlights which relocation benefits are mandatory and which are discretionary. To do this, several errors need to be corrected in the tables outlining benefits.

*Use the standard continental United States (CONUS) per diem for calculating actual expense per diems for househunting trips (HHTs) and the locality rate per diem for calculating lump-sum HHT benefits in part 302-5 -* The GRAB final report explains this issue well:

“ . . . the implementing regulations for FETRA [Federal Employee Travel Reform Act] . . . created an unfortunate inconsistency between HHT and TQSE [temporary quarters subsistence expense] benefits. From that time and continuing today, the traditional method for claiming HHT expenses is linked to the locality rate (FTR Part[sic] 302-5.13 and Part [sic] 301-11.100), while the traditional method for claiming TQSE expenses is linked to the CONUS rate (FTR Part [sic] 302-6.102). Not only is this inconsistent from a practical and logical point of view, it creates an unintended constraint on encouraging the use of a more cost-effective lump-sum HHT reimbursement method: Why should any transferee use the lump-sum benefit granting 5 days' worth of the locality rate [actually, the lump-sum method uses a multiplier of 6.25 days for both going on the trip or a multiplier of 5 days for only one person going on the HHT], when they could use the traditional method and receive up to 10 days' worth of the locality rate? Simply saving the trouble of submitting receipts is not a sufficient motivator to forego 5 days' worth of the locality rate. Even if transferees found that the ease of paperwork and the benefit of having their reimbursement paid up-front convinced them to use the lump-sum benefit anyway, the fact that the FTR contains this inconsistency is reason enough to make the change.”

GSA originally intended for the househunting regulation to mirror the TQSE process, where the agency either reimburses actual expenses for up to 120 days at the lower standard CONUS rate or calculates a lump-sum reimbursement for up to 30 days, with the higher locality rate as the multiplier. This would give the agencies and transferred employees a real chance to use the incentives of higher payments for a shorter timeframe to get the employees to move into permanent quarters faster. People do actually choose the lump sum for TQSE, but they do not use the lump sum for HHT's because the error removed the intended economic incentive. Agencies report that because of the error, the lump-sum househunting trips are underutilized, while the lump sum for TQSE is frequently utilized.

By emulating the TQSE regulations and correcting the error that GSA made in creating the existing househunting regulation, real economic incentives will help work towards employees managing their househunting trips more economically. Just as with the TQSE, the use of the higher locality rate for the lump-sum payment versus the lower standard CONUS rate for actual expense reimbursement will incentivize faster househunting trips managed more carefully by an employee who has economic reasons to do so.

*Changing the storage allowance for the temporary storage of Household Goods by amending section 302-7.8 -* The GRAB recommended that, instead of allowing for temporary storage for 90 days with one possible 90-day extension, as the FTR does today, the temporary storage benefit should be more logically planned and utilized. The GRAB's recommendation for temporary storage for CONUS to CONUS transfers is that temporary storage would be limited to 60 days, with no extensions possible. Federal agencies strongly oppose the loss of any possible extension because of the inflexibility this imposes on legitimate cases.

In consideration of the Federal agencies' need for flexibility, we are proposing that CONUS to CONUS moves will have their storage reduced to 60 days with a 30-day extension. This is in line with private industry, which rarely stores household goods for very long. However, since transfers to or from Outside the Continental United States (OCONUS) locations present greater, inherent problems, we are proposing to continue to allow for 90 days with a possible 90-day extension for any shipment that has an OCONUS origin or destination.

It is also important for agencies to have a management plan for deciding how and when they will grant temporary storage extensions. This must be based on genuine relocation criteria and not an automatic benefit. Extensions should only be granted for legitimate, unanticipated reasons, not for anything that is the result of poor planning by the employee.

*Require employees to limit the asking price to 105% of the appraised value estimate of their home value and to attend residence transaction counseling sessions by changing section 302-12.3 -* The GRAB recommendation allows for having two 30-day periods in the marketing of a home in the homesale program, with the latter period limited to 105% of the appraised value or broker's estimate. This regulation, in line with the current real estate market, where houses sit for much longer than they did when the GRAB was meeting, sets the time for marketing under the broker price at 60 days. This is fair to the home owner, who would have 30 days to let the market justify a belief in a higher price, and it is fair to the RSC, who would then have 30 days to market the house with the price they saw as more in line with its value.

With mandatory counseling sessions, agencies ensure that the employees who are relocating understand the different transactions involved in a home sale or purchase. This is an important part of any comprehensive program because unless the employee understands the process, problems regarding implementation may occur.

*Require homes to be listed for 60 days prior to accepting an appraised value sale under section 302-12.3(c) -* As was mentioned in the explanation directly above, of the three major homesale programs used by private industry, the appraised value option is the most costly of the three, even though it is a valuable tool when compared to direct reimbursement. The GRAB Report states that appraised value is used by the Government for 41% of homesale program transactions versus the 18% of private industry homesale transactions. The GRAB report strongly recommends that Government homesale programs drive the balance towards amended and BVO options.

By requiring that each agency contracting with an RSC employ a 60-day listing prior to accepting an appraised value sale, the number of appraised value sales will be reduced, and the Government will shift its mix of homesale programs to resemble that of private industry. According to the work of the Employee Relocation Council's auditor, Raffa and Associates, as shown

in the GRAB Findings and Recommendations, a shift into the same portfolio mix as private industry would save the Government \$35.1 million per year.

A 60-day listing period may seem like a long time, but it allows for sales in a slower market. In a heated housing market, the listing will rarely get to 60 days.

*Require employees to use the homesale marketing counseling services offered by the homesale contractor under section 302-12.3(e)* - One of the problems inherent in homesale programs is the complexity of the various programs. Direct reimbursement by contrast can be easier to understand. If savings are going to be realized through the use of homesale programs, the employee must understand the options thoroughly. An easy way to do that is by having the employee receive counseling on the various options provided by the RSC. The counseling helps the agency, company, and employee because it clarifies what employees must do to participate in the program and what options the employee has to consider while dealing with the sale of one of his or her largest assets. The agency has a responsibility to monitor these counseling sessions and make sure that the materials and presentation are fair and useful to the employee. Requiring this counseling is useful to everyone.

*Require that agencies examine and evaluate their relocation programs and determine whether or not a comprehensive homesale program should be part of their program under sections 302-12.105 and 302-12.106* - The Government has a major difference from private industry in their contracts with RSCs for administering homesale programs. The Government cannot legally assume title to the property from a homesale program, while most private sector companies can assume title. Therefore, the RSCs charge the Government slightly more than they charge private companies, to cover the additional risk that the RSC assumes on each property. This gives the appearance to agencies that RSC-managed homesale programs are more expensive than direct reimbursement for homesale costs, which is the most common practice among Federal agencies. Other factors also make the homesale programs appear more expensive to Government managers. As the GRAB final report states:

Most agencies that do not offer their transferees access to a home-sale program base the decision on a perception that reimbursements of direct home-sale costs are lower than the fees generally associated with

a RMC [RSC] home-sale program (e.g., up to 10% of the home-sale price for direct reimbursement versus up to 23.5% for a RMC [RSC] home-sale program under [GSA Multiple Awards] Schedule 48). This perception ignores the fact that direct reimbursements are taxable income to the employee and, therefore, typically require added reimbursement from the Government to cover that tax liability, whereas properly structured RMC-[RSC]-assisted homesales are not.

The GRAB recommended that the FTR make it mandatory that each agency implement a comprehensive homesale program, including amended, appraised, and BVO's. Furthermore, the GRAB recommended that each agency try to tilt their mix of the three homesale programs away from the more expensive appraised value and towards the amended and BVO style programs, where actual offers determine the value of a residence. GSA is in strong support of this program but is not willing to mandate that all agencies implement a homesale program. GSA's position is that this would go against the philosophy that agencies are better managers of their own programs because they understand each agency's culture and mission better than GSA. However, use of a comprehensive homesale program through an RSC should be a first consideration for all agencies in designing and administering their residence transactions, because the economics of the relocation industry indicate that direct reimbursement is a tool that is best used only for cases where the property is difficult to sell (i.e., houseboats, mobile homes, geodesic domes, houses with mold or artificial stucco, etc.). This proposed rule would make use of a homesale program the first consideration.

The other reason that GSA does not want to mandate homesale programs in lieu of direct reimbursement is that it believes market forces are clearly directing agencies towards doing this as a business decision. More and more agencies are contracting with RSCs for homesale services. GSA also does not want the regulation to require one method of residence transaction reimbursement, because this would possibly prevent evolution of or migration to another new method should one develop. Relocation is a quickly changing industry and the regulation must allow agencies flexibility.

*Allow broader use of the Miscellaneous Expense Allowance (MEA) under part 302-16* - The FTR currently limits the MEA to expenses related to discontinuing or establishing a residence. The GRAB recommended that this limitation be removed, so that

the transferee can use the MEA to cover any expenses that emerge in a relocation, whether they are prior to or after the residence transactions. Quoting from the GRAB final report:

"Currently, the FTR does not provide any reimbursement mechanism for expenses incurred by employees relating to pet care, child care, or adult care for aging parents who are dependents of the relocating employee. The employee typically incurs these costs while taking a househunting trip. Additionally, employees are "challenged" as the FTR does not provide for any reimbursement for children to accompany the employee on a househunting trip."

Much like the lump-sum househunting payments mentioned above, the employee would be free to use his or her judgment to make sure the money is used wisely. In private industry, such payments are used to give transferees monies to handle their needs without having to voucher for reimbursement. This proposal also eliminates the need for the Government from having to specify what is covered by the MEA.

A standard payment for private industry is based on a month's salary. At this time, the MEA payment to Federal employees remains legally limited to one or two week's salary for a GS-13 step 10, depending on family status. GSA is planning to address this limitation in a legislative proposal.

### C. Changes to Current FTR

This proposed rule—

- Adds definitions for amended value sale, appraised value sale, buyer's value option, fair market value and relocation services companies in section 300-3.1.
- Amends Table B, in section 302-3.2.
- Amends Table H, in section 302-3.101.
- Amends section 302-5.13 to make the standard CONUS rate the operative per diem for calculating actual expense househunting trips per diems and clarifies the availability and use of lump-sum reimbursements.
- Amends section 302-7.8 to limit household goods (HHG) storage to 60 days with a possible 30-day extension for CONUS to CONUS moves and keeps the 90 days with a possible 90-day extension for moves that have an authorized non-CONUS origin and/or destination.
- Amends section 302-12.3 to require that the employee's residence, if unsold after 30 days at a price set by the employee, be listed at a price no more than 105% of the appraised value for 30 days when an RSC is used and to require the employee to attend relocation counseling sessions.
- Amends sections 302-12.105 and 302-12.106 to require the agencies that

use a homesale program to administer it in a manner that will drive the programs towards the buyer value option and amended sales, and away from appraised value sales.

• Amends sections 302–16.1 and 302–16.2 to remove the connection between the miscellaneous expense allowance and the establishment and disestablishment of a residence and switches the order of the two sections to make a better logical point.

#### D. Executive Order 12866

This regulation is excepted from the definition of “regulation” or “rule” under Section 3(d)(3) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993 and, therefore, was not subject to review under Section 6(b) of that Executive Order.

#### E. Regulatory Flexibility Act

This proposed rule is not required to be published in the **Federal Register** for notice and comment as per the exemption specified in 5 U.S.C. 553(a)(2); therefore, the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, does not apply.

#### F. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the proposed changes to the FTR do not impose recordkeeping or information collection requirements, or the collection of information from offerors, contractors, or members of the public that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

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

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

#### List of Subjects in 41 CFR Parts 300–3, 302–3, 302–5, 302–7, 302–12, and 302–16

Government employees, Travel and transportation expenses.

Dated: June 19, 2007.

Kevin Messner,

Acting Associate Administrator.

For the reasons set forth in the preamble, under 5 U.S.C. 5701–5709, GSA proposes to amend 41 CFR parts 300–3, 302–3, 302–5, 302–7, 302–12, and 302–16 as set forth below:

#### PART 300–3—GLOSSARY OF TERMS

1. The authority citation for 41 CFR part 300–3 continues to read as follows:

**Authority:** 5 U.S.C. 5707; 40 U.S.C. 121(c); 49 U.S.C. 40118; 5 U.S.C. 5738; 5 U.S.C. 5741–5742; 20 U.S.C. 905(a); 31 U.S.C. 1353; E.O. 11609; 36 FR 13747; 3 CFR, 1971–1975 Comp., p. 586, Office of Management and Budget Circular No. A–126, “Improving the Management and Use of Government Aircraft.” Revised May 22, 1992.

2. Amend § 300–3.1 by adding alphabetically the terms and definitions “Amended Value Sale”, “Appraised Value Sale”, “Buyer’s Value Option (BVO)”, “Fair Market Value” and “Relocation Service Company (RSC)” to read as follows:

#### § 300–3.1 What do the following terms mean?

\* \* \* \* \*

*Amended Value Sale*—A residential sale where a bona fide outside offer to buy a residence is accepted by a relocation services company. This offer can be equal to or higher than the guaranteed offer. If the contract is acceptable, the RSC will sign the contract and amend its guaranteed offer to reflect the new value based on the higher sales price. The RSC will then disburse the transferee’s equity (or remaining equity if a portion had been disbursed earlier) based upon this amended value, complete the acquisition of the property, and resell the home to the outside buyer. Amended value sales are often called “amend from zero” sales with the RSC guaranteed offer being the baseline from which the amendments are made.

*Appraised Value Sale*—A residential sale where two or more independent appraisers set the price for a guaranteed offer for the purchase of a residence. Under this option, once a transferee’s home is placed in the homesale program, a relocation services company (RSC) makes a guaranteed offer for the transferee’s home based on the fair market value established by independent appraisers. The offer is guaranteed for a contract specified number of calendar days. If the transferee accepts the guaranteed offer within the time period, the RSC purchases the home, takes the home into its inventory, and disburses the transferee’s equity (or remaining equity if a portion had been disbursed earlier) based upon the offer. It is then the RSC’s responsibility to sell the home, and the agency pays the RSC a fee that covers the closing costs, other expenses, and the risk that the RSC may lose money on the resale of the home.

\* \* \* \* \*

*Buyer Value Option (BVO)*—A residential sale in which a transferee in consultation with a broker sets the initial asking price and sells through the relocation services company (RSC) for

an acceptable outside offer. If the transferee receives an offer from an outside buyer acceptable to the RSC, the RSC buys the home from the transferee at that price, disburses the equity (or remaining equity if a portion had been disbursed earlier) and then immediately re-sells it to the outside buyer; the agency pays the RSC a fee that covers the closing costs and other RSC expenses. If, on the other hand, the transferee does not receive an acceptable offer within, for example, 30 days, then the home is placed in the homesale program and the RSC proceeds with the appraised value option.

\* \* \* \* \*

*Fair Market Value*—The price at which a property would most likely sell if placed on the market for a reasonable period of time. It is the most likely price that a well-informed buyer would pay and a well-informed seller would agree to accept for a given property if the property were placed on the market for a reasonable period of time.

\* \* \* \* \*

*Relocation Service Company (RSC)*—A third party vendor under contract with an agency to assist a transferred employee in relocating to the new official station. Examples of the assistance include, but are not limited to: homesale programs, home marketing assistance, home finding assistance, and property management services.

#### PART 302–3—RELOCATION ALLOWANCE BY SPECIFIC TYPE

3. 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).

#### § 302–3.2 [Amended]

4. Amend § 302–3.2, Table B, Column 2, by removing entries “3” and “4”.

#### § 302–3.101 [Amended]

5. Amend § 302–3.101, Table H, by redesignating entry “5” in Column 1 as new entry “3” in Column 2; and in Column 1, redesignating entry “6” and entry “7” as new entry “5” and new entry “6” respectively.

#### PART 302–5—ALLOWANCE FOR HOUSEHUNTING TRIP EXPENSES

6. The authority citation for 41 CFR part 302–5 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, 1971–1975 Comp., p. 586.

7. Amend § 302–5.13 by revising the table to read as follows:

**§ 302–5.13 What methods may my agency use to reimburse me for househunting trip expenses?**

\* \* \* \* \*

| For  | You are reimbursed   |
|--|--|
| <p>You and/or your spouse's transportation expenses.</p> <p>You and/or your spouse's subsistence expenses.</p> | <p>Your actual transportation costs.</p> <p>(a) A per diem allowance at the standard CONUS rate (see <a href="http://www.gsa.gov/perdiem">http://www.gsa.gov/perdiem</a>), for you and/or your spouse (<i>i.e.</i>, if you both go together; or if you go separately, the standard CONUS rate multiplied by 2), for the 10 days or less that your agency authorizes for you; or</p> <p>(b) Only if offered by your agency and chosen by you, a lump sum, which is dependent upon spousal participation, as follows:</p> <p>(1) If you go and your spouse does not, or if your spouse goes and you do not, multiply the applicable locality per diem rate by 5.00 (see <a href="http://www.gsa.gov/perdiem">http://www.gsa.gov/perdiem</a>).</p> <p>(2) If you and your spouse both go, together or separately, multiply the applicable locality per diem rate by 6.25 (see <a href="http://www.gsa.gov/perdiem">http://www.gsa.gov/perdiem</a>).</p> |

**Part 302–7—TRANSPORTATION AND TEMPORARY STORAGE OF HOUSEHOLD GOODS AND PROFESSIONAL BOOKS, PAPER, AND EQUIPMENT (PBP&E)**

8. 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.

9. Revise § 302–7.8 to read as follows:

**§ 302–7.8 What are the time limits for the temporary storage of authorized HHG shipments?**

(a) For CONUS to CONUS shipments, the initial period of temporary storage at Government expense may not exceed 60 days. You may request additional time, up to a maximum of 30 days; such a request must be approved by the agency official designated for such requests. Under no circumstances may temporary storage at Government expense for CONUS to CONUS shipments exceed a total of 90 days.

(b) For shipments that include an OCONUS origin or destination, the initial period of temporary storage at Government expense may not exceed 90 days. You may request additional time, up to a maximum of 90 days; such a request must be approved by the agency official designated for such requests. Under no circumstances may temporary storage for shipments at Government expense that include an OCONUS origin or destination exceed a total of 180 days.

(c) For all shipments, your HHG may be placed in temporary storage at origin, in transit, at destination, or any combination of these, so long as storage at Government expense does not exceed the applicable time limit.

**PART 302–12—USE OF A RELOCATION SERVICES COMPANY**

10. The authority citation for 41 CFR part 302–12 continues to read as follows:

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

11. Amend § 302–12.3 by removing “and” in paragraph (b), redesignating paragraph (c) as paragraph (f), and adding new paragraphs (c), (d), and (e) to read as follows:

**§ 302–12.3 Under what conditions may I use a relocation services company?**

\* \* \* \* \*

(c) Agree that once an RSC presents a guaranteed offer through a home buyout program, you must list your residence on the market to the public for 30 days, at a price of no more than 105% of the guaranteed offer;

(d) Agree that if you receive a bona fide offer from an outside buyer that is at or above the guaranteed offer and acceptable to the RSC, you may take the Amended Value sale option;

(e) Attend homesale marketing counseling sessions provided by the chosen RSC; and

\* \* \* \* \*

12. Revise § 302–12.105 to read as follows:

**§ 302–12.105 How must we administer a relocation services contract?**

If you have a relocation services contract you must:

(a) Administer your homesale program to give first consideration towards the use of the buyer's value option (BVO).

(b) Administer your homesale program to give second consideration to amended value sales.

(c) Monitor costs and make adjustments as necessary to ensure that your homesale program continues to provide the best possible value to the Government, considering costs, employee morale and mobility, and other relevant considerations.

13. Amend § 302–12.106, by removing “and” in paragraph (c), redesignating paragraph (d) as paragraph (e), and adding a new paragraph (d) to read as follows:

**§ 302–12.106 What policies must we establish when offering our employees the services of a relocation services company?**

\* \* \* \* \*

(d) How you monitor and balance between the three kinds of homesale programs (appraised value, buyer's value option, and amended value); and

\* \* \* \* \*

**PART 302–16—ALLOWANCE FOR MISCELLANEOUS EXPENSES**

14. The authority citation for 41 CFR part 302–16 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.

**§§ 302–16.1 and 302–16.2 [Redesignated as §§ 302–16.2 and 302–16.1]**

15. Redesignate §§ 302–16.1 and 302–16.2 as §§ 302–16.2 and 302–16.1 respectively; and revise newly redesignated § 302–16.1 and 302–16.2 to read as follows:

**§ 302–16.1 What is the purpose of the miscellaneous expenses allowance (MEA)?**

The miscellaneous expenses allowance (MEA) is to help defray some of the costs incurred due to relocating. (See part 302–10 of this chapter for

specific costs normally associated with relocation of a mobile home dwelling that are covered under transportation expenses.)

**§ 302-16.2 What are miscellaneous expenses?**

Miscellaneous expenses are:  
 (a) Costs associated with relocating that are not covered by other relocation benefits of chapter 302.

(b) Expenses allowable under this section including, but not limited to the following:

| General Expenses  | Fees/Deposits  | Losses  |
|---|--|---|
| Appliances  | Fees for disconnecting/connecting appliances, equipment, or conversion of appliances for operation on available utilities.   |   |
| Rugs, draperies, and curtains   | Fees for cutting and fitting such items when they are moved from one residence quarters to another.  |   |
| Utilities (For mobile homes, see § 302-10.204)  | Deposits or fees not offset by eventual refunds. ....  |   |
| Medical, dental, and food locker contracts  | .....  | Losses that cannot be recovered by transfer or refund and are due to early termination of a contract. |
| Private Institutional care contracts (such as that provided for handicapped or invalid dependents only) | .....  | Losses that cannot be recovered by transfer or refund and are due to early termination of a contract. |
| Privately-owned vehicles  | Registration, Driver's license, and use taxes imposed when bringing into certain jurisdictions. ....   |   |
| Transportation of pets  | The only costs included are those normally associated with transportation and handling of dogs, cats, and other house pets, as well as costs due to stringent air carrier rules. Inoculations, examinations, and boarding quarantine costs are excluded. Also excluded are costs associated with large or exotic animals, costs associated with host country restrictions, and costs arising from special handling difficulties. |   |

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