

86TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 902

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

August 14, 1959.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MORRISON, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 7758]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 7758) to improve the administration of overseas activities of the Government of the United States, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The amendments are as follows:

- (1) Page 2, line 21, strike out "and (C) the General Accounting Office;" and insert in lieu thereof "(C) the General Accounting Office, and (D) the Library of Congress;"
- (2) Page 28, line 13, strike out "(a), (e), or (f)" and insert in lieu thereof "(e) or (f)";
- (3) Page 28, line 23, insert double quotation marks after the period at the end thereof;
- (4) Page 28, strike out line 24 and all that follows down through the period and quotation marks in line 7 on page 29;
- (5) Page 29, line 12, strike out "Para-" and all that follows down through the period in line 16.

PURPOSE OF AMENDMENTS

Amendment No. (1) extends the definition of "Government agency" contained in section 111(2) of the bill to cover the Library of Congress. As a result of this amendment, employees of the Library of Congress will be eligible for the allowances and differentials in foreign areas provided by title II of the bill. This amendment will assist the Library of Congress in connection with the foreign acquisitions pro-

gram of the Library and certain other activities of the Library in foreign areas such as activities under section 104(n) of the Agricultural Trade Development and Assistance Act of 1954 as amended by the Act of September 6, 1958 (Public Law 85-931). It may be observed that the employees of the Library of Congress also will receive the benefits of the amendments made by titles III and IV of the bill to the Administrative Expenses Act of 1946 and the Annual and Sick Leave Act of 1951.

Amendment No. (2) eliminates a reference to subsection (a) of the first section of the Administrative Expenses Act of 1946 contained in section 912 of the Internal Revenue Code of 1954 as proposed to be amended by the bill. This reference is unnecessary in view of an existing ruling of the Department of the Treasury.

Amendment No. (3), which is a technical amendment, inserts double quotation marks at an appropriate place in the bill.

Amendment No. (4) eliminates from section 912 of the Internal Revenue Code of 1954 as proposed to be amended by the bill the exemption from tax with respect to certain travel expenses proposed by the bill as introduced.

Amendment No. (5) eliminates a provision relating to the application of paragraph (3) of section 912 of the Internal Revenue Code of 1954 as proposed to be amended by section 523(a) of the bill. The matter is covered by the discussion in the Explanation of the Bill, as Reported, of such section 912 as amended by the bill.

STATEMENT

PURPOSE OF H.R. 7758

The purpose of H.R. 7758, as set forth in section 101, is to improve and strengthen the administration of overseas activities of the Government of the United States. This purpose is to be accomplished by the establishment of a coordinated and reasonably uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconveniences, incident to their working assignments in overseas areas. The bill provides for uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. The allowances, differentials, and expenses authorized by the bill apply only to citizens of the United States employed by the Government in overseas activities, except as otherwise provided by law.

This legislation carries out the recognized principle that the Government should provide uniform treatment for all of its civilian employees who are assigned to overseas posts of duty with respect to additional expenses, necessarily incurred by such employees in relation to their overseas service, which Government employees within the United States do not incur and with respect to hardships, inconveniences, and other differences in environment or conditions of employment at overseas posts of duty which justify additional compensation or allowances.

BACKGROUND OF LEGISLATION

This legislation is based on an official recommendation submitted by the Department of Defense as part of the President's legislative program in the 85th Congress.

The reported bill will place in effect unanimous recommendations of the Committee on Post Office and Civil Service of the House of Representatives set forth in House Report No. 2109, 84th Congress. The legislation has been developed through extensive hearings, conferences, and studies conducted during the past four years by the Civil Service Subcommittee of the Committee on Post Office and Civil Service, in cooperation with the Department of Defense, the Department of State, the Personnel Adviser to the President, the United States Civil Service Commission, the General Accounting Office, and other agencies having overseas responsibilities.

Over a period of years the Congress and the Executive Branch have become increasingly concerned with the need for clarification and strengthening of statutes and regulations affecting the working and living conditions of United States citizens employed overseas. The importance of sound and effective personnel policies in the conduct of overseas programs of the Government is well recognized. United States citizens assigned to overseas civilian posts are responsible for an important part of the duties necessary to the success of our military and economic commitments in foreign countries. These employees in a sense represent the United States in the eyes of the world. The success of our programs abroad depends largely upon obtaining maximum results from their efforts. The effectiveness of their performance—and, consequently, the accomplished results of entire programs—are directly related to the facilities which the Government places in their hands to aid them in carrying out their assigned tasks.

References to studies of overseas personnel problems beginning in the 82d Congress, each of which deals at some length with matters covered by H.R. 7758, appear in Appendix C of this report.

SUMMARY OF MAJOR PROVISIONS OF H.R. 7758

Title I

Title I of the bill contains a declaration of Congressional purpose discussed above, and certain definitions which apply primarily to the allowances and differentials authorized by title II of the bill.

Title II

Title II of the bill represents a consolidation of existing provisions, coupled with certain additional authorizations, for the payment of allowances and differentials to United States citizens employed by the Government in foreign areas. The allowances and differentials authorized by title II apply only to United States citizens at foreign posts and may be paid only in accordance with regulations issued by the President.

Section 211 of the bill adds, for all departments and agencies, new authority (1) for payment of a temporary lodging allowance for a period not exceeding one month immediately before final departure of an employee from an overseas post and (2) for reimbursement of reasonable expenses incurred for initial repairs, alterations, and improvements in order to make substandard living quarters habitable. This section extends to departments and agencies (other than those operating under the Foreign Service Act of 1946 or statutes related

thereto, which already have such authority) authority (1) to pay a temporary lodging allowance for a period not exceeding three months upon first arrival of an employee at a foreign post, (2) to include water as a utility covered by quarters allowances, and (3) to make advance payment of quarters allowances. The section continues and consolidates, for all departments and agencies, existing authority to furnish quarters in foreign areas or to grant allowances in lieu thereof.

Section 221 amends, for all departments and agencies, existing authority to grant a separate maintenance allowance for dependents of an employee in a foreign area so as to permit payment of such allowance where an employee must maintain a separate establishment for his dependents away from his post of duty but not necessarily outside of the country of assignment. This section continues and consolidates, for all departments and agencies, authority to pay (1) a post allowance to compensate for the difference in local living costs which are higher than those in Washington, D.C., (2) a transfer allowance upon assignment of an employee to duty at any post in a foreign area or at a post in the United States between foreign assignments, and (3) an allowance for education of an employee's dependents. The section continues, for departments and agencies operating under the Foreign Service Act of 1946 or related laws, and adds, for all other departments and agencies, authority to provide transportation of an employee's dependents for educational purposes.

Section 231 continues and consolidates, for all departments and agencies, existing authority to pay a hardship post differential, not exceeding 25 percent of basic compensation, for conditions of environment at foreign posts which warrant additional compensation as a recruitment and retention incentive.

Title III

Title III of the bill consolidates and clarifies existing authorities for all departments and agencies to make payment or reimbursement for transportation or storage, or both, of certain personal property of employees who are assigned to overseas duties. This title also modifies, and extends to other departments and agencies, certain authorizations presently applicable only to departments and agencies operating under the Foreign Service Act of 1946 or related legislation.

Section 301 extends to all departments and agencies authority, similar to that now available to the Foreign Service and related agencies, to pay representation expenses incurred in the promotion of official policies and programs.

Section 311 reenacts and clarifies existing Foreign Service and Central Intelligence Agency authority to pay the cost of packing and unpacking, transporting to and from storage, and storing the furniture and household and personal effects of employees assigned to foreign posts, and extends comparable authority to other departments and agencies.

Section 321 extends to other departments and agencies authority, now applicable only to departments and agencies operating under the Foreign Service Act of 1946 or related legislation, to pay unusual expenses incident to the operation of official residences suitable for certain senior representatives of the United States at foreign posts.

Section 331 extends to all departments and agencies authority, now applicable only to those operating under the Foreign Service Act of

1946 or related legislation, to transport the privately-owned motor vehicle of an employee to his overseas post, subject to a general limitation that only one such vehicle may be shipped during each four years of overseas service. This section also imposes the one-in-four-years limitation on departments and agencies operating under the Foreign Service Act of 1946 or related legislation.

Title IV

Title IV extends to all departments and agencies (other than those operating under the Foreign Service Act of 1946 or related legislation, which already have such authority) authority to grant home leave, not exceeding one week for each four months of service, to an employee who completes twenty-four months of continuous service abroad. Authority to accumulate up to forty-five days of annual leave is extended to employees of departments and agencies operating under the Foreign Service Act of 1946 or related legislation. This title also extends certain provisions of the Annual and Sick Leave Act of 1951, now applicable to overseas employees who were recruited or transferred from the United States, to those overseas employees who were recruited or transferred from the Commonwealth of Puerto Rico or the possessions of the United States.

Title V

Section 501 contains a general appropriation authorization to carry out the purposes of the bill.

Section 511 contains repeal and amendatory provisions necessary to conform certain provisions of existing law to the substantive provisions of H.R. 7758.

Sections 521 and 522 in effect are savings provisions, continuing (1) the effect of references in other laws to any provision of law repealed, modified, amended, or superseded by this bill and (2) existing allowances and differentials until appropriate regulations are issued to replace them under this bill.

Section 523 continues, for all departments and agencies, the effect of the existing income tax exemptions of foreign areas allowances (but not differentials) contained in section 912 of the Internal Revenue Code of 1954.

COST

The Department of Defense, which employs approximately two-thirds of all United States citizens working for the Government in foreign areas, reports that the additional cost of the legislation to the Department will be \$2,972,000 for the fiscal year ending June 30, 1960, and \$2,890,000 for each fiscal year thereafter. Overseas employees affected by this legislation were distributed in February 1959 among Government agencies, as follows:

Department of Defense.....	21, 085
Department of State (including Foreign Service and International Cooperation Administration).....	9, 799
United States Information Agency.....	1, 124
All other departments and agencies.....	1, 335
Total.....	33, 343

Representatives of the Department of Defense testified that no material change in the number of such employees is expected in the foreseeable future.

No additional cost was reported by the Department of State or by any other department or agency.

The Department of Defense, the Department of State, the United States Civil Service Commission, the Acting Comptroller General of the United States, and the Librarian of Congress submitted reports favoring the principles of H.R. 5007 with certain recommended amendments on the basis of which H.R. 7758 was introduced, after hearings, to replace H.R. 5007. The Department of the Treasury submitted a report on H.R. 7758, containing certain recommendations with respect to the income tax treatment of foreign areas allowances generally under section 912 of the Internal Revenue Code of 1954. The Committee amendments in the reported bill carry out the recommendation of the Department of the Treasury that the bill not extend or enlarge existing tax exemptions for such allowances.

These reports appear immediately following the Explanation of the Bill, as Reported.

EXPLANATION OF THE BILL, AS REPORTED

SHORT TITLE

The first section of the bill immediately preceding title I supplies a short title for the provisions of the bill by providing that the proposed new law may be cited as the "Overseas Differentials and Allowances Act".

TITLE I—PURPOSE AND DEFINITIONS

Title I consists of Part A (Purpose) and Part B (Definitions).

PART A—PURPOSE

Section 101 sets forth the general purpose of the bill—i.e., to improve and strengthen the administration of overseas activities of the Government of the United States of America. It is intended that this general purpose be accomplished by the operation of the bill in four ways, as follows:

(1) By providing a means for more effectively compensating civilian officers and employees of the Government for extra costs and hardships incident to their overseas assignments.

(2) By providing for uniform treatment of civilian officers and employees of the Government stationed overseas to the extent justified by relative conditions of employment. (Application of this principle of uniform treatment will eliminate certain inequitable and unjustifiable disparities and differences which now exist with respect to the treatment of Government civilian officers and employees stationed overseas.)

(3) By establishing the basis for the more efficient and equitable administration of the laws compensating Government civilian officers and employees for extra costs and hardships incident to their assignments overseas.

(4) By facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

PART B—DEFINITIONS

Section 111 contains definitions of the terms "Government", "Government agency", "employee", "United States", "continental United States", and "foreign area". These definitions are applicable with respect to title I, which sets forth the statement of purpose and these definitions, with respect to title II, which provides for certain allowances and differentials in foreign areas, and with respect to section 522 of title V, which provides for the continuation of allowances and differentials provided for under the laws existing immediately prior to the enactment of the bill until regulations are issued under the provisions of the bill.

These definitions do not apply to title III, which relates to certain miscellaneous expenses, i.e., representation expenses, storage, official residence expenses, and transportation of motor vehicles; title IV, which contains amendments to the Annual and Sick Leave Act of 1951; and title V (except section 522), which contains certain appropriation, repeal, amendatory, and miscellaneous provisions.

Titles III and IV amend certain existing laws containing in most instances definitions which do not require any change therein to serve the purposes of the amendment. In instances where this is not the case, appropriate language has been added for the purposes of the bill. Title V (except section 522) contains amendments and other provisions not requiring the application of any definitions.

The definitions are as follows:

(1) "Government" means the Government of the United States of America.

(2) "Government agency" means (A) each executive department of the Federal Government, (B) each independent establishment or agency in the executive branch of the Federal Government, including each corporation wholly owned by the Government (whether owned directly or through one or more corporations), (C) the General Accounting Office, and (D) by amendment of the committee, the Library of Congress.

(3) "Employee" means an individual performing civilian service with a Government agency, as defined in the bill, who will be defined more specifically in regulations to be prescribed by the President of the United States. The term "employee" does include specifically, however, ambassadors, ministers, and officers of the Foreign Service of the United States under the Department of State.

(4) "United States" (when the term is used in a geographical sense) means the several States of the United States of America (as now or hereafter in existence) and the District of Columbia.

(5) "Continental United States" means the several States of the United States of America, excluding Alaska and Hawaii but including the District of Columbia.

(6) "Foreign area" means any area situated outside the United States (as defined in the bill for geographical purposes), and outside the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States. The term "foreign area" also includes the Trust Territory of the Pacific Islands.

TITLE II—ALLOWANCES AND DIFFERENTIALS IN FOREIGN AREAS

Title II, which covers allowances and differentials in foreign areas, consists of Part A (General Provisions), Part B (Quarters Allowances), Part C (Cost-of-Living Allowances), and Part D (Post Differential).

PART A—GENERAL PROVISIONS

Section 201 covers the classes of employees for whom the allowances and differentials provided by title II may be authorized and to whom such allowances and differentials may be granted. In general, these allowances and differentials may be authorized for and granted to an employee officially stationed in a foreign area who is a citizen of the United States and whose rate of basic compensation is fixed by statute or, without taking into account the allowances and differentials provided by title II, is fixed by administrative action pursuant to law or is fixed administratively in conformity with rates paid by the Government for work of a comparable level of difficulty and responsibility in the continental United States.

These allowances and differentials also may be paid to an employee officially stationed in a foreign area who is not a citizen of the United States to the extent that the payment of such allowances and differentials to the noncitizen employee is authorized by any provision of law other than title II of the bill.

The allowances and differentials are provided by title II notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70) which imposes certain restrictions on the receipt of additional pay and extra allowances of Government employees. In this connection, it should be noted that similar allowances and differentials authorized by existing law may be granted without regard to section 1765 of the Revised Statutes.

Section 202 provides for the advance of funds to pay the allowances under title II and for the recovery of funds so advanced which are not subsequently covered by such allowances.

The allowances granted under title II may be paid in advance or advance of funds may be made for such allowances. The payment or advance of funds will be made through the proper disbursing officer in such amounts as are advisable in the light of the need therefor and the period of time during which the employee or employees concerned will be required to make expenditures in advance.

An advance of funds which is not subsequently covered by allowances accrued under title II to the employee or employees concerned will be recoverable by the United States Government. Recovery, may be effected by set off against accrued salary, pay, compensation, amount of retirement credit, or other amount due from the United States Government to the employee or employees concerned and also by such other appropriate method as may be provided by law for recovery of amounts owing to the Government.

It is not the purpose of this provision to modify, change, or otherwise interfere with existing authority contained in section 216 of the Standardized Regulations (Government Civilians, Foreign Areas) to grant special allowances in unusual circumstances.

Section 203 indicates the nature of the regulations governing payment of allowances and differentials under title II.

Section 203 requires that such allowances and differentials shall be paid in accordance with regulations prescribed by the President of the United States. These regulations will establish rules governing payment of such allowances and differentials, the respective rates of payment, and the foreign areas, the groups of positions, and the categories of employees to which these rates will apply. These regulations also may cover other related matters.

PART B—QUARTERS ALLOWANCES

Section 211 sets forth the various kinds of quarters allowances which may be granted to employees in foreign areas.

These quarters allowances may be granted to an employee in a foreign area whenever Government-owned or Government-rented quarters are not provided for such employee without charge to him, as follows:

Temporary Lodging Allowance

Paragraph (1) of section 211 provides for a temporary lodging allowance for the reasonable cost of temporary quarters which is incurred by the employee and his family. This temporary lodging allowance may be granted as follows:

(A) For a period of not in excess of three months after first arrival at a new post of assignment in a foreign area or for a period ending with the occupation of residence quarters, whichever period is the shorter.

(B) For a period of not more than one month immediately preceding final departure from the post following the necessary evacuation of residence quarters.

Paragraph (1) consolidates and extends the existing authority (set forth in clause (A) of such paragraph) to grant temporary lodging allowances in foreign areas. Such paragraph extends the temporary lodging allowance on first arrival to employees of those Government agencies not presently eligible for such allowance.

At present, this allowance is authorized—

(1) for the Foreign Service of the United States under section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1));

(2) for the Central Intelligence Agency under section 4(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(b));

(3) for the United States Information Agency on a fiscal year basis by appropriation Act (with respect to the fiscal year ending June 30, 1960, under title IV of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960 (73 Stat. 193; Public Law 86-84);

(4) for the International Cooperation Administration pursuant to section 527(c) of the Mutual Security Act of 1954 (22 U.S.C. 1787(c));

(5) for the Foreign Agricultural Service of the Department of Agriculture under section 603 of the Act of August 28, 1954 (7 U.S.C. 1763); and

(6) for personnel of the Veterans' Administration who are United States citizens and are assigned by the Administrator of Veterans' Affairs to the Veterans' Administration office in the Republic of the Philippines under section 235 of title 38 of the

United States Code as added by the Act of July 28, 1959 (Public Law 86-116).

Paragraph (1) also adds for all Government agencies a new authority (set forth in clause (B) of such paragraph) to grant a temporary lodging allowance of not to exceed one month immediately prior to final departure.

This temporary lodging allowance is intended to cover necessary and reasonable hotel room expenses incurred by an employee upon first arrival at a post of assignment in a foreign area while the employee is locating and arranging for suitable quarters and awaiting arrival of furniture and household effects. The allowance also may be granted under similar conditions to an employee who has relinquished residence quarters immediately prior to his departure from his post of assignment in a foreign area. Generally, an employee moves to a hotel for a short period, immediately prior to his departure from his post of assignment, in order to avoid contracting for another full month of rent for his quarters and to allow time for completion of departure arrangements such as settlement of utility bills and preparation of furniture and effects for storage or shipment. The right to a full month's temporary lodging allowance does not automatically follow from the receipt of transfer or separation orders; it is expected that only such portion of the one-month period will be allowed as may be justified by the circumstances.

The committee emphasizes that this temporary lodging allowance will cover only average prices for adequate but not luxurious accommodations. Assurance has been given to the committee that this policy will be spelled out in the administrative regulations governing such allowance. In this connection, reference is made to section 220 of the Standardized Regulations (Government Civilians, Foreign Areas), issued by the Secretary of State, set forth in Appendix A of this report.

It may be noted that paragraph (1) does not contain a provision similar to a provision of section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1)) to the effect that the amount of temporary lodging allowance may not exceed the aggregate amount of the per diem which would be allowable to the employee for himself and his family if they were in travel status.

Such provision is omitted for two reasons.

First, the limitation, now applicable to employees subject to the Foreign Service Act of 1946, would not operate uniformly with respect to other departments and agencies within the purview of title II of this bill. The Foreign Service Act of 1946 authorizes the allowance of per diem for an employee subject to such Act and for each member of his family. No such per diem is authorized for members of the families of employees in most other departments and agencies.

Second, the temporary lodging allowance is intended to cover only part of the expenses on which per diem payments are based. The temporary lodging allowance authorized by paragraph (1) relates only to quarters, and specifically to hotel room quarters. The allowance does not extend to expenditures for meals, which are included in per diem allowances.

Living Quarters Allowance

Paragraph (2) of section 211 provides for a living quarters allowance for rent, heat, light, fuel, gas, electricity, and water. This allowance is provided without regard to the limitations of section 3648 of the Revised Statutes (31 U.S.C. 529) providing certain limitations on advances of public money.

Existing authority contained in the Act of June 26, 1930 (5 U.S.C. 118a), provides for Government agencies generally an allowance in lieu of living quarters in foreign areas, including rent, heat, light, fuel, gas, and electricity, but not including water.

With respect to those Government agencies closely connected with the conduct of the foreign relations of the United States and related matters, a similar living quarters allowance is authorized, as follows:

(1) for the Foreign Service of the United States, under section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1));

(2) for the Central Intelligence Agency, under section 4(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(b));

(3) for the United States Information Agency, on a fiscal year basis, by appropriation Act (with respect to the fiscal year ending June 30, 1960, under title IV of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960 (73 Stat. 193; Public Law 86-84);

(4) for the International Cooperation Administration, under section 527(c) of the Mutual Security Act of 1954 (22 U.S.C. 1787(c));

(5) for the Foreign Agricultural Service of the Department of Agriculture, under section 603 of the Act of August 28, 1954 (7 U.S.C. 1763); and

(6) for certain personnel of the Veterans' Administration under section 235 of title 38 of the United States Code as added by the Act of July 28, 1959 (Public Law 86-116).

However, under sections 13 and 14 of the Act of August 1, 1956 (70 Stat. 892; 5 U.S.C. 170r and 170s), the Foreign Service of the United States, the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, the Foreign Agricultural Service of the Department of Agriculture, and the above-mentioned personnel of the Veterans' Administration are granted allowances to cover water in addition to the other utilities above specified.

Paragraph (2) of section 211 of the bill consolidates and continues the authority for living quarters allowances for all Government agencies and, in addition, provides that this living quarters allowance may cover water in the case of all Government agencies, in addition to other utilities.

Allowance for Necessary and Reasonable Repairs, Alterations, and Improvements Under Unusual Circumstances

Paragraph (3) of section 211 provides for an allowance to cover expenses of initial repairs, alterations, and improvements to an employee's privately leased residence at a post of assignment in a foreign area.

This allowance may be granted only under unusual circumstances. The allowance covers only extraordinary, necessary, and reasonable expenses which are not otherwise compensated for.

Moreover, the expenses must be approved administratively in advance if the allowance is to be granted.

In addition, the duration and terms of the lease must be such as to justify the granting of such allowance.

For example, under the foregoing provision the respective Government agencies could require that the lease contain provisions which would permit a change of lessees without change in other provisions of the lease in order that the quarters concerned could be made available to another employee in the event of the transfer or separation of the original tenant. The provisions of paragraph (3) are intended to insure that the allowance will be subject to strict administrative controls.

Paragraph (3) constitutes a new authority for all Government agencies to pay or reimburse for the necessary and reasonable repair, alteration, and improvement costs for quarters leased by an employee at a post of assignment in a foreign area. At many such posts of assignment habitable quarters are not obtainable unless the employee bears substantial costs for necessary repairs, alterations, and improvements.

The purpose of this allowance to cover repair, alteration, and improvement costs is to make sub-standard or uninhabitable dwellings habitable for the employee.

It is intended that the allowance cover repairs, alterations, and improvements which are basic to making a dwelling habitable, such as installation and repair of plumbing, and wiring or rewiring.

It is not intended that the allowance cover repairs, alterations, and improvements which are not basic to making a dwelling habitable, such as redecorating.

It is the understanding of this committee that the respective Government agencies will administer this paragraph in a manner which will place a ceiling on total cost to the Government.

This committee has approved the allowance provided by paragraph (3) of section 211 with the understanding that appropriate regulations will be issued which will provide that the total payment for such repairs, alterations, and improvements, plus the actual quarters allowance paid to an employee, will not exceed the maximum authorized quarters allowance available to the employee, without regard to repairs, alterations, and improvements, for two years at the post of assignment in the foreign area concerned.

As a reasonable and satisfactory guide in the administration and operation of paragraph (3) of section 211, the committee calls attention to Appendix B of this report which sets forth matters for consideration in the preparation of regulations to carry out the intent of such paragraph (3). These matters pertain to the coverage of the terms "repairs", "alterations", and "improvements" in connection with the allowances provided by paragraph (3) of section 211.

PART C—COST-OF-LIVING ALLOWANCES

Section 221 sets forth the various kinds of cost-of-living allowances which may be granted to employees in foreign areas. These cost-of-living allowances may be granted where applicable, as follows:

Post Allowances

Paragraph (1) of section 221 provides for a post allowance to offset the difference between the cost of living at the post of assignment of the employee in a foreign area and the cost of living in Washington, District of Columbia. The post allowance does not cover rent and utilities, since rent and utilities are covered by quarters allowances.

Authority similar to the authority for post allowances in paragraph (1) of section 221 of the bill is contained in existing law.

Section 901(2)(i) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(i)) authorizes the Secretary of State to grant post allowances to employees of the Foreign Service of the United States.

A similar post allowance is made available to the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, and the Foreign Agricultural Service of the Department of Agriculture, pursuant to the provisions of law specified with respect to those agencies in connection with living quarters allowances discussed above.

In addition, a similar post allowance also is made available, on a fiscal year basis, to the executive departments and independent establishments generally under provisions of appropriation Acts relating to general Government matters. With respect to the fiscal year ending June 30, 1960, section 203 of the General Government Matters Appropriation Act, 1960 (73 Stat. 165; Public Law 86-79), provides, in part, as follows:

“* * * Appropriations of the executive departments and independent establishments for the current fiscal year, available for expenses of travel or for the expenses of the activity concerned, are hereby made available for * * * cost-of-living allowances similar to those allowed under section 901(2) of the Foreign Service Act of 1946, in accordance with and to the extent prescribed by regulations of the President, for all civilian officers and employees of the Government permanently stationed in foreign countries * * *”.

Paragraph (1) of section 221 of the bill, in effect, consolidates and continues existing authority for Government agencies generally to pay post allowances to employees to compensate for higher living costs in foreign areas. Paragraph (1) does not, however, authorize payment of additional compensation as a recruitment or retention incentive based on conditions of environment.

Transfer Allowance

Paragraph (2) of section 221 provides for a transfer allowance for extraordinary, necessary, and reasonable expenses (not otherwise compensated for) incurred by an employee incident to establishing himself at any post of assignment in a foreign area or at a post of assignment in the United States between assignment to posts in foreign areas.

This transfer allowance will cover, for example, initial costs and unusual out-of-pocket expenses in connection with transfer to a post of assignment in a foreign area where, for example, a different type of clothing is required or electrical equipment of a different voltage is necessary.

At the present time, a similar transfer allowance is provided for the Foreign Service of the United States by section 901(2)(ii) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(ii)).

A similar transfer allowance also is made available to the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, and the Foreign Agricultural Service of the Department of Agriculture, pursuant to the provisions of law specified with respect to those agencies in connection with living quarters allowances discussed above.

A similar transfer allowance also is made available, on a fiscal year basis, to the executive departments and independent establishments generally under provisions of appropriation Acts covering general Government matters. With respect to the fiscal year ending June 30, 1960, section 203 of the General Government Matters Appropriation Act, 1960 (referred to above), provides authority for such transfer allowance by reference to cost-of-living allowances similar to those allowed under section 901(2) of the Foreign Service Act of 1946, as stated above in connection with post allowances.

Paragraph (2) of section 221 of the bill, in effect, consolidates and continues existing authority for Government agencies generally to pay a transfer allowance on the assignment of an employee to duty at any post in a foreign area and at a post in the United States between assignments to duty at posts in foreign areas.

Separate Maintenance Allowance

Paragraph (3) of section 221 provides for a separate maintenance allowance.

The separate maintenance allowance is intended to assist an employee who is compelled, by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post of assignment in a foreign area or for the convenience of the Government, to meet the additional expense of maintaining, elsewhere than at such post of assignment, his wife or his dependents, or both.

This separate maintenance allowance is similar to the allowance now provided for the Foreign Service of the United States by section 901(2)(iii) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(iii)).

A similar separate maintenance allowance also is made available to the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, and the Foreign Agricultural Service of the Department of Agriculture, pursuant to the provisions of law specified with respect to those agencies in connection with living quarters allowances discussed above.

A similar allowance also is made available, on a fiscal year basis, to the executive departments and agencies generally under provisions of appropriation Acts relating to general Government matters. With respect to the fiscal year ending June 30, 1960, section 203 of the General Government Matters Appropriation Act, 1960, provides such allowance to executive departments and agencies in the manner stated above.

Paragraph (3) of section 221 of the bill consolidates, with one important change, the existing authority for Government agencies to pay separate maintenance allowances.

Existing law authorizes payment of the allowance to help meet the additional cost when an employee is compelled, because of adverse conditions at his post, to maintain his wife and minor children elsewhere than in the *country* of assignment.

Paragraph (3) of section 221 of the bill authorizes payment of the allowance to help meet the cost, in the same circumstances, of maintenance of a wife or dependents or both at any place other than the *post* of assignment. Paragraph (3) will permit payment of the separate maintenance allowance in those cases in which it is essential that the employee maintain his family away from the *post* of assignment although not necessarily outside the *country* of assignment.

For example, it might be necessary for an employee stationed in a foreign area to send his family away from his post of assignment in time of protracted rioting and violence followed by plague. Under the new paragraph (3), it will not be necessary that the employee send his family out of the country to be entitled to the separate maintenance allowance.

Education Allowance

Paragraph (4) of section 221 provides for an education allowance or payment of transportation costs to assist an employee with the extraordinary and necessary expenses (not otherwise compensated for), incurred by reason of the service of the employee in a foreign area or areas, in providing adequate education for his dependents.

Subparagraph (A) of paragraph (4) of section 221 of the bill provides for an allowance not to exceed the cost of obtaining such elementary and secondary educational services as are ordinarily provided without charge by the public schools in the United States, plus (in those cases where adequate schools are not available at the employee's post) board and room and periodic transportation between such post and the nearest locality where adequate schools are available. This allowance may be granted without regard to the limitations of section 3648 of the Revised Statutes, pertaining to certain prohibitions on advances of public money. It is required that the amount of the allowance granted be determined on the basis of the educational facility used.

At present, this allowance is provided for the Foreign Service of the United States by section 901(2)(iv) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(iv)).

Allowances similar to the allowances provided by section 901(2)(iv) of the Foreign Service Act of 1946 are provided for the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, and the Foreign Agricultural Service of the Department of Agriculture, pursuant to the provisions of law specified with respect to those agencies in connection with living quarters allowances discussed above.

A similar allowance also is made available, on a fiscal year basis, to the executive departments and independent agencies generally pursuant to appropriation Acts relating to general Government matters. With respect to the fiscal year ending June 30, 1960, section 203 of the General Government Matters Appropriation Act, 1960 (referred to above) provides authority for such allowance.

Subparagraph (A) of paragraph (4) of section 221 of the bill in effect consolidates and continues the existing authority for Govern-

ment agencies generally to grant an allowance of the type described in such subparagraph (A).

Subparagraph (B) of paragraph (4) of section 221 of the bill provides for a payment covering the expenses of travel of dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education.

Such travel payment may be made for not more than one trip each way for each dependent for the purpose of obtaining each type of education.

Subparagraph (B) of paragraph (4) specifically provides, however, that no allowance payments for educational purposes under subparagraph (A) of such paragraph (4) shall be made for any dependent during the twelve-month period immediately following the arrival of the dependent in the United States for secondary education under subparagraph (B).

Under paragraph (4) of section 221 of the bill—

(1) a child of high school age could be entered in a secondary school in a foreign area and applicable allowance would be payable under subparagraph (A); or

(2) the child could be sent to the United States for secondary education with the cost of the trip being paid under subparagraph (B) but without entitlement by his employee parent to the allowance under subparagraph (A) during the twelve-month period immediately following the arrival of the child in the United States for secondary education; or

(3) the child could be sent to the United States for secondary education without the cost of the trip being paid under subparagraph (B) but the employee parent would be entitled to an allowance under subparagraph (A).

At the present time, the travel payment provided by subparagraph (B) is available—

(1) to the Foreign Service of the United States under section 911(9) of the Foreign Service Act of 1946 (22 U.S.C. 1136(9));

(2) to personnel of the Foreign Agricultural Service of the Department of Agriculture under section 603 of the Act of August 28, 1954 (7 U.S.C. 1763);

(3) to personnel of the International Cooperation Administration employed under section 527(c) of the Mutual Security Act of 1954 (22 U.S.C. 1787(c)); and

(4) to personnel of the United States Information Agency on a fiscal year basis by appropriation Act (with respect to the fiscal year ending June 30, 1960, under title IV of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960 (73 Stat. 193; Public Law 86-84)).

Section 911(9) of the Foreign Service Act of 1946 (22 U.S.C. 1136(9)) authorizes the payment of expenses of travel, including per diem in lieu of subsistence, of dependents of personnel of the Foreign Service of the United States. The Foreign Agricultural Service of the Department of Agriculture, the International Cooperation Administration, and the United States Information Agency are authorized to utilize the authority granted in section 911(9) of the Foreign Service Act of 1946 with respect to payment of such travel expenses. Although section 511(a)(1) of this bill repeals section 911(9) of the Foreign Service Act of 1946, it is the intent of this

committee that subparagraph (B) of paragraph (4) of section 221 of this bill will continue in effect the authority so repealed.

Subparagraph (B) of paragraph (4) of section 221 of the bill consolidates the travel payment authority (similar to that provided by such subparagraph (B)) granted under existing law and extends such travel payment authority to those Government agencies which are not authorized to make such payments at the present time.

The language of subparagraph (B) differs slightly from present statutory language in two respects:

First, the new language limits the prohibition on payment of allowances when transportation to the United States is authorized for secondary education purposes to the 12 months following arrival in the United States. Present statutory language has been interpreted to prevent the authorization of educational travel for a child on whose behalf an education allowance was granted in the first year, for example, of secondary school even though the parent has been transferred to another post at which secondary education is not available. This change in language is intended only to provide needed flexibility without changing the basic principle that education allowances will not be available to a parent whose child has been transported to the United States at Government expense for the purpose of securing secondary education and continues to be educated in the United States.

Second, the new language permits travel to the school or college the dependent is to enter rather than only to the nearest port of entry as is presently the case.

In addition, subparagraph (B) of paragraph (4) of section 221 of the bill contains a provision which authorizes the payment of travel expenses, under regulations to be prescribed by the President, for the purpose of obtaining undergraduate college education only, for dependents of employees who are citizens of the United States stationed in the Canal Zone. The provision waives section 111(6) of the bill which defines the term "foreign area" as excluding the Canal Zone.

PART D—POST DIFFERENTIAL

Section 231 of the bill provides for a post differential similar to that contained in existing law.

The post differential may be granted on the basis of conditions of environment which—

- (1) differ substantially from conditions of environment in the continental United States, and
- (2) warrant additional compensation as an incentive for the recruitment of an individual for, and his retention in, employment under such conditions of environment.

The purpose of the post differential authorized by section 231 of the bill is to compensate employees for undesirable conditions of environment which exist at some posts of assignment in foreign areas. These undesirable conditions of environment may take the form of physical hardships, hazards to health, and difficult conditions of living generally. This post differential, therefore, will serve as an incentive in the recruitment and retention of personnel to be employed at such locations.

Section 231 retains the existing limitation on the amount of post differential which may be paid under such section by providing that

additional compensation paid as a post differential shall not exceed, in any instance, 25 per centum of the rate of basic compensation.

Section 231 of the bill contains an exception to that provision in section 201 of the bill which states that "* * * allowances and differentials provided by this title are authorized for and may be granted only to an employee officially stationed in a foreign area unless otherwise provided in this title * * *". This exception is to the effect that the post differential also may be granted to any employee who is officially stationed in the United States and who is on extended detail in a foreign area. Under section 142 of the Standardized Regulations (Government Civilians, Foreign Areas), the term "extended detail" is defined as a detail of at least 42 days at the post in the foreign area. The committee understands that this minimum requirement of 42 days will be continued with respect to the term "extended detail" in the regulations which will implement section 231 of this bill. Continuation of the 42-day minimum requirement will prevent payment of post differentials to employees officially stationed in the United States who make only short trips to foreign areas. The committee understands that the same limitation of 42 days also will apply to employees stationed at a post in a foreign area who are detailed to a post for which a post differential is prescribed.

Section 231 of the bill continues and consolidates the authority now contained in existing law for the payment of post differentials at foreign posts.

Section 443 of the Foreign Service Act of 1943 (22 U.S.C. 888), which is repealed by section 511(a)(1) of the bill, now provides that the President, under such regulations as he may prescribe, may establish rates of salary differential not exceeding 25 per centum of basic salary for Foreign Service officers, Reserve officers, and staff officers and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary of State maintains a list of such posts.

Section 207 of the Independent Offices Appropriation Act, 1949 (5 U.S.C. 118h), provides, in part, that certain appropriations or funds available to the executive departments and agencies, independent establishments, and certain Government corporations available for payment of salaries and compensation to persons stationed outside the continental United States or in Alaska, whose rates of basic compensation are fixed by statute, shall be available for the payment of additional compensation (not to exceed 25 per centum of the rate of basic compensation) to such persons, based on living costs substantially higher than in the District of Columbia, or based on conditions of environment which differ substantially from conditions of environment in the States and warrant additional compensation as a recruitment incentive, or based on both such factors.

Section 207 of the Independent Offices Appropriation Act, 1949, also provides that no additional compensation based on living costs substantially higher than in the District of Columbia shall be paid under such section to any person entitled to receive a cost-of-living allowance under section 901(2) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(i)) or an allowance similar thereto under other law. The effect of this prohibition is retained and expanded with

respect to the allowances and differentials provided by title II of this bill.

It is the intention of the committee that the provisions of title II of this bill shall supersede the provisions of section 207 of the Independent Offices Appropriation Act, 1949, with respect to the authorization, granting, and payment of the additional compensation to employees stationed in foreign areas. Thus, title II of this bill will preempt the field with respect to allowances and differentials under such title and the provisions of section 207 of the Independent Offices Appropriation Act, 1949, no longer will be applicable to employees in foreign areas who are within the purview of title II of this bill.

It is not the purpose of this bill to modify or change the application and operation of section 207 of the Independent Offices Appropriation Act, 1949, except to the extent stated above. For this reason, this bill does not repeal such section 207 and does not affect its application and operation otherwise than as provided in title II of this bill. For example, the payment of additional compensation under such section 207 to persons stationed in Alaska is not affected in any way by this bill.

TITLE III—MISCELLANEOUS EXPENSES

Title III, which covers the granting and payment of certain miscellaneous expenses to Government officers and employees assigned to posts of duty outside the United States, consists of Part A (Representation Expenses), Part B (Storage), Part C (Official Residence Expenses), and Part D (Transportation of Motor Vehicles).

PART A—REPRESENTATION EXPENSES

Section 301 amends the Administrative Expenses Act of 1946 (60 Stat. 806) by adding at the end thereof a new section 22 authorizing the use by all departments and agencies of the Government of administrative expense funds for representation purposes in the promotion of official policies and programs. The general purpose of the amendment is to provide for the conduct of official relations by representatives of the Government of the United States in a manner which will compare favorably with the conduct of such relations by representatives of other nations, without the necessity for incurring personal costs by such representatives of the United States.

Present authority for payment of representation expenses is contained in section 901(3) of the Foreign Service Act of 1946, which authorizes allowances for the proper representation of the United States. Such section 901(3) is repealed by section 511(a)(1) of the bill and the authority contained therein is transferred to the new section 522 which is added to the Administrative Expenses Act of 1946 by section 301 of the bill.

Authority for the payment by all departments and agencies of representation expenses is included in the Administrative Expenses Act of 1946 in order to reflect the fact that such expenses constitute one of the normal and recurring operating expenses incident to certain types of activities conducted not only by the Foreign Service, but by certain other departments and agencies as well, in the field of foreign relations and operations.

Section 301 will make uniform authority available to all departments and agencies which conduct operations in foreign areas and to resident missions to international organizations, such as the United States Delegation to the United Nations. However, it is contemplated that only a very few departments and agencies will need to make use of such authority. Regulations prescribed by the President will define the conditions, and control the use, of the authority.

PART B—STORAGE

The general purpose of section 311 is to provide the basis for the extension to all departments and agencies of authority for payment of the costs of storage of furniture and household and personal effects of employees assigned to foreign posts, and of certain related expenses, which is comparable to the authority for the payment of such expenses now contained in section 911 of the Foreign Service Act of 1946, with respect to the Foreign Service of the United States, and in similar provisions of law with respect to certain other agencies. One effect of the amendment will be to provide a basis for payment or reimbursement of such expenses of all Government employees assigned to foreign posts on a reasonably uniform and equitable basis.

Subsection (a) of section 311 amends paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946. These paragraphs presently authorize the payment of costs of storage of furniture and household and personal effects of officers and employees in the Foreign Service (and certain other agencies), and related costs, (1) when such employees are absent from their posts of assignment under orders or are assigned to posts to which they cannot take or at which they are unable to use their furniture and household and personal effects, or (2) when it would be in the public interest or would be more economical to pay such costs than, for example, to pay quarters allowances while employees are away from their posts under orders or to pay transportation costs for employees from one location to another.

The amendment effects four changes in paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946.

The first change eliminates from paragraph (4) language which has the effect of limiting the payment of storage costs to those instances in which the employee is unable to move his furniture and household and personal effects to a new post of assignment because of emergency. Under the amendment, payment of storage costs may be authorized, upon transfer of an employee, without the existence of an emergency. As a practical matter, this change already has been accomplished, in effect, by section 2(b) of the Act of August 1, 1956 (Public Law 885, 84th Congress).

Second, the amendment adds to the existing paragraph (5) authority to pay the cost of packing and unpacking such furniture and household and personal effects, in connection with the transportation thereof to and from storage, in order to provide a statutory basis for the long established and recognized practice under which such costs are considered as necessarily incidental to the authority to transport and store such furniture and household and personal effects. The effect, therefore, will be to continue, but not to extend, existing practice in respect to payment of the costs of such packing and unpacking.

Third, the amendment adds in such paragraph (5), for the first time, a specific limitation to the effect that in no instance shall the weight or volume of the articles stored, together with the weight or volume of the articles transported, under authority of such paragraph, exceed the maximum weight and volume limitations fixed by regulations, when not otherwise fixed by law.

Fourth, the amendment adds to paragraph (5) the authority to pay the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period of not to exceed three months the furniture and household and personal effects of an officer or employee in the Foreign Service who is being separated from the Foreign Service. Under existing law, these costs are borne by such officer or employee until a firm decision can be made with respect to his permanent place of residence after separation. The amendment will allow such an officer or employee a reasonable time during which his furniture and household and personal effects may be stored pending the completion of arrangements for his permanent residence following his separation from the Foreign Service after having served many years abroad in most instances.

Subsection (b) of section 311 amends paragraphs (1) (D) and (E) of section 4 of the Central Intelligence Agency Act of 1949, which relate to payment of the cost of packing and unpacking, transporting to and from places of storage, and storing of furniture and household and personal effects of employees of the Central Intelligence Agency. The effect of such paragraphs (1) (D) and (E), as so amended, is identical to the effect of paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946, as amended by section 311(a) of the bill and as explained above. The amendment made by subsection (b) effects no major change in existing practices by the Central Intelligence Agency except that (1) storage of furniture and household and personal effects is authorized for an employee abroad when it is determined to be in the public interest or to be more economical than to ship such articles and (2) storage of such articles is authorized, for a period not to exceed three months, upon departure of an employee from a post abroad or upon separation of an employee.

Section 311(c)(1) amends the first section of the Administrative Expenses Act of 1946 so as to eliminate the existing 8,750 pound maximum limitation on crated shipments of household effects of civilian employees which has proved completely unrealistic and has placed an unfair financial burden on many employees. This amendment makes no change in the existing maximum limitation of 7,000 pounds uncrated on the shipment of such household effects. Necessary packing and crating for overseas shipment of household effects increases the gross weight of such shipments (to which the existing 8,750 pound maximum limitation applies) by an average of approximately 90 percent. This existing limitation on crated shipments has the effect of reducing the maximum net weight limitation on a shipment of household effects consigned overseas to an average of something under 4,000 pounds. The amendment provides a reasonable and appropriate maximum limitation for overseas shipments of household effects, stated in terms of net weight in lieu of the previous gross weight limitation, and will permit employees going overseas to ship household effects to the same extent, and in the same quantity, as

may be shipped under existing authority in connection with transfers of employees within the United States.

Section 311(c)(2) amends the first section of the Administrative Expenses Act of 1946 by adding a new subsection (e) at the end thereof. Such subsection (e) authorizes the storage at Government expense of household goods and personal effects of employees who are assigned to permanent duty stations outside the continental United States when it is determined that such employees cannot take their goods and effects to their duty stations or that they are unable to use such goods and effects at such stations. The new subsection (e) also authorizes the head of each department or agency concerned to provide for storage of goods and effects, in lieu of shipment overseas, for reasons of economy or when in the public interest. The storage of household goods and personal effects under the subsection will be in accordance with regulations to be prescribed by the President and the weight of such goods and effects which may be stored at Government expense will be subject to maximum weight limitations identical to the maximum weight limitations governing the shipment of such goods and effects.

Section 311(d) clarifies the meanings of various terms applied to furniture, household goods, and personal effects which appear in the Foreign Service Act of 1946, the Central Intelligence Agency Act of 1949, and the Administrative Expenses Act of 1946. It is the intent of the committee that such clarification and other provisions contained in the amendatory language shall provide the basis for maximum practicable uniformity in the treatment of storage, packing and unpacking for storage, and transportation of the goods and effects of officers and employees in the several departments and agencies to which such Acts apply. In this connection, it is to be noted that the amendment made by section 311(d) authorizes the President, with respect to the Administrative Expenses Act of 1946, the Secretary of State, with respect to the Foreign Service Act of 1946, and the Director of Central Intelligence, with respect to the Central Intelligence Agency Act of 1949, to make appropriate determinations governing the terms "furniture and household and personal effects" and "household goods and personal effects" as used in such Acts.

PART C—OFFICIAL RESIDENCE EXPENSES

Section 321(a) amends the Administrative Expenses Act of 1946 (as amended by section 301 of the bill) by adding at the end thereof a new section 23 authorizing the use by all departments and agencies of the Government of administrative expense funds to defray unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at posts in foreign countries and such other senior officials of the United States in foreign countries as the President may designate. The general purpose of this amendment is similar to the purpose of the amendment made by section 301 of the bill, but the expenses to be paid differ somewhat from the expenses authorized to be paid thereunder.

Allotment of funds under the new section 23 will be subject to regulations prescribed by the President and, in general, this allotment of funds will be of the type and kind for which existing authority is

provided, with respect to the Department of State, in section 902 of the Foreign Service Act of 1946, which is repealed by section 511(a)(1) of the bill.

The Department of State has been, and will remain, the principal user of the authority contained in the new section 23 of the Administrative Expenses Act of 1946. However, other departments and agencies on occasion undoubtedly will have need to use the authority. It is intended, and the committee has received full assurance, that this authority will continue to be used very sparingly and that its use for other than chief representatives of the United States at foreign posts will be strictly limited to unusual circumstances involving actual necessity.

The chief representatives, and at times other senior officials, of the United States who are stationed at foreign posts are compelled, in the best interests of their Government, to maintain residences of a type which would not be necessary except for the positions of conspicuous responsibility which they occupy at their foreign posts. As principal representatives of the United States, they are persons of major importance locally and must maintain suitably dignified relations with the highest level of local officials, residents, visitors, and representatives of other nations. They are expected, and in a sense required, to meet and associate socially with dignitaries of other nations as a part of their official duties for the Government of the United States. Apart and aside from the physical need for a residence establishment of adequate size and appointments, the factor of national prestige is highly important in furthering the interests of the United States. Chief representatives and senior officials of the Government largely represent the United States in the eyes of the officials and the citizens of the countries in which they serve. These representatives and officials serve on a twenty-four hour a day basis, and the operation of their personal residences is as important a part of their responsibilities as the operation of their official headquarters.

The authority contained in the new section 23 will not permit reimbursement to any individual for the ordinary household expenses which he would incur in any case. The authority is intended to extend only to the additional expenses necessarily incurred by chief representatives and senior officials of the Government in maintaining residences which are commensurate with their positions as important representatives of the United States abroad. Such additional expenses may include salaries and subsistence of servants and the cost of upkeep and repair for residences which are larger and more elaborate than otherwise would be required.

PART D—TRANSPORTATION OF MOTOR VEHICLES

Section 331 adds a new subsection (f) at the end of the first section of the Administrative Expenses Act of 1946, authorizing the transportation at Government expense of privately-owned motor vehicles of civilian employees assigned to duty outside the United States. Transportation of motor vehicles under subsection (f) will be authorized only upon a determination by the department or agency head concerned that it is in the interest of the Government for the employee to have the use of the motor vehicle at his post of duty. Transportation of a replacement motor vehicle is authorized after four years of

continuous overseas service by an employee. Transportation of a replacement motor vehicle prior to the completion of four years of continuous service by an employee is authorized only upon the basis of a determination in advance by the department or agency head that a replacement vehicle is necessary in the interest of the Government and for reasons which are beyond the control of the employee. This replacement provision is intended to be used only in cases such as those involving rapid deterioration of a vehicle due to severe climatic conditions or loss of a vehicle through fire, theft, or similar cause. Transportation of employees' motor vehicles is authorized by commercial means if available at reasonable rates, or by Government means on a space-available basis. The new subsection (f) does not apply to the Foreign Service of the United States under the Department of State, the International Cooperation Administration, the United States Information Agency, the Foreign Agricultural Service of the Department of Agriculture, or the Central Intelligence Agency. Provisions for the transportation of motor vehicles of officers and employees in those agencies are contained in the amendments made by sections 332 and 333 of the bill.

The committee was given specific assurance that this authority for the transportation of privately owned motor vehicles would be strictly administered to insure that such transportation will be authorized only where it is clear that the use of an employee's motor vehicle will contribute to effectiveness in the performance of official duties, is desirable and suitable under local conditions, is in the interest of the Government, and is not solely for personal convenience of the employee. The following colloquy during the hearings on H.R. 5007 and H.R. 5009 further amplifies this administrative intent:

Mr. PORTER. Now this transportation of household goods and motor vehicles, we have had allegations from time to time about abuses in this area. I know of one case recently which may or may not have been abused, where a man took his car overseas and then sold it for quite a profit. Are there any controls over that sort of thing?

Mr. JACKSON [Deputy Assistant Secretary of Defense (Manpower, Personnel and Reserve)]. We have had, if I may say, a rather top-level committee working intensely on the problem as it involves the military, because the military has more leeway with regard to shipments than civilians without this bill. We are very much concerned, not only from the possibility of making a profit in an individual case, but we are concerned with the effect on the host countries where in some instances the economy is very low and the means of transportation are not at all comparable in size and what seems to them to be very luxurious type of vehicles.

There has been a very marked consciousness of this and efforts to decrease this unfavorable impact on the local people. I am confident, and I am prepared to state this for the record at this time, that as far as the Defense Department is concerned, and I am sure the State and other agencies are conscious of this, that the authorization of transportation of motor vehicles will be very austerely administered, for the civilians I am talking about.

The committee intends to maintain a close watch of the costs incurred in the transportation of privately owned motor vehicles under part D of title III of the bill.

Section 332 amends section 913 of the Foreign Service Act of 1946 (under which transportation is authorized at Government expense for privately-owned automobiles of officers and employees of the Foreign Service, the International Cooperation Administration, the United States Information Agency, and the Foreign Agricultural Service of the Department of Agriculture) so as to conform the authority contained in such section with the authority for shipment at Government expense of privately-owned motor vehicles of employees of other departments and agencies contained in the new subsection (f) added at the end of the first section of the Administrative Expenses Act of 1946 by section 331 of the bill.

It is to be noted that authority for the transportation of privately-owned automobiles, contained in section 913 of the Foreign Service Act of 1946, is extended to the Administrator of Veterans' Affairs, with respect to certain personnel of the Veterans' Administration assigned to duty in the Republic of the Philippines, by section 235 (a)(6) of title 38 of the United States Code, as added by the Act approved July 28, 1959 (Public Law 86-116; 73 Stat. 265). The new subsection (f) as added by section 331 of the bill, therefore, does not apply to those employees of the Veterans' Administration who are subject to such section 235(a)(6). However, the new subsection (f) does apply to those employees of the Veterans' Administration not subject to such section 235(a)(6).

Section 333 amends section 4 of the Central Intelligence Agency Act of 1949 (which authorizes transportation at Government expense of privately-owned automobiles of personnel of the Central Intelligence Agency assigned to duty outside the United States) so as to conform the authority contained in such section with the authority for shipment at Government expense of privately-owned motor vehicles of personnel of other departments and agencies contained in the new subsection (f) added at the end of the first section of the Administrative Expenses Act of 1946 by section 331 of the bill. The amendment made by section 333(b) with respect to the Central Intelligence Agency is identical in effect to the amendment made by section 332 with respect to the Foreign Service and other agencies referred to in such amendment.

TITLE IV—AMENDMENTS TO ANNUAL AND SICK LEAVE ACT OF 1951

Title IV relates generally to the accumulation of leave by, and the conditions for granting leave to, employees of the Government of the United States who are stationed outside of the several States of the United States and the District of Columbia.

Section 401 amends subsections (d), (e), and (f) of section 203 of the Annual and Sick Leave Act of 1951 (5 U.S.C. 2062 (d), (e), and (f)).

The amendment to such subsection (d) accomplishes two general purposes. First, the amendment deletes, from that part of subsection (d) which precedes paragraph (1) thereof, language which excludes from the coverage of such subsection employees in the Foreign Service of the United States under the Department of State. The effect is to bring such employees in the Foreign Service within the purview of

such subsection (d) as amended by section 401 of the bill. Since that part of such subsection (d) which precedes paragraph (1) thereof authorizes a maximum accumulation of not to exceed forty-five days of annual leave for certain categories of employees, and since the amendment made by the bill to such part brings employees in the Foreign Service within the purview of such subsection, the maximum accumulation of not to exceed forty-five days of annual leave will be applied to employees in the Foreign Service exactly as it applies to employees in other departments and agencies under existing law.

Second, the amendment extends the coverage of paragraphs (1) and (2) of such subsection (d) to a comparatively small number of additional employees in overseas areas.

The existing paragraph (1) designates, as one of the categories of employees covered by subsection (d), persons directly recruited or transferred from the United States. The amendment extends this category to include persons directly recruited or transferred from the Commonwealth of Puerto Rico or the possessions of the United States for employment in overseas areas outside of the area of recruitment or the area from which transferred.

The existing paragraph (2) designates, as a second category of employees covered by subsection (d), persons employed locally in overseas areas (A) who originally were recruited from the United States, who have been in substantially continuous employment by other Government agencies, United States firms, international organizations in which the Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States or (B) who at the time of employment are temporarily absent from the United States for travel or formal study and who during such absence maintain residence in the United States. The amendment, in conformity with the amendment to paragraph (1), extends the coverage of paragraph (2) to persons employed locally but who originally were recruited from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.

The amendment also makes a technical change in the language of paragraph (3) of such subsection (d), which relates to persons who are not normally residents of overseas areas in which employed by the Government but who are discharged from military service to accept Government employment.

The amendment to subsection (e) of section 203 of the Annual and Sick Leave Act of 1951 continues the effect of such subsection (which is to preclude any reduction in the leave authorized by such Act for time actually and necessarily used in traveling to and from a post of duty and in awaiting transportation) and extends this effect to persons recruited or transferred from the Commonwealth of Puerto Rico or the possessions of the United States for employment outside the United States and outside the area of recruitment or from which transferred. The amendment limits the application of subsection (e) to not more than one period of leave "in a prescribed tour of duty at a post outside the United States," in lieu of the existing limitation of not more than one period of leave "in any twenty-four months period." This revision is necessary for the reason that prescribed tours of duty in some cases, such as those involving assignments to posts at which the employees will be subjected to extraordinary

hazards or dangerous health conditions, are for periods other than twenty-four months in duration.

The amendment to subsection (f) of section 203 of the Annual and Sick Leave Act of 1951 extends to all departments and agencies authority to grant leave of absence (generally known as "home leave") to officers and employees who have completed at least twenty-four months of continuous service outside the United States. At present, this leave is authorized only for personnel of the Foreign Service of the United States, the United States Information Agency, the International Cooperation Administration, the Foreign Agricultural Service of the Department of Agriculture, and the Central Intelligence Agency.

The home leave will be granted at a rate not to exceed one week for each four months of such service and represents leave which is separate and apart from the annual and sick leave otherwise provided for under the Annual and Sick Leave Act of 1951. This home leave is for use in the United States or (in appropriate cases) in the Commonwealth of Puerto Rico or the possessions of the United States. There is no limit on the maximum accumulation of home leave for future use, but no such leave can be made the basis for any terminal leave or for any lump-sum payment for unused accumulated or accrued leave.

Section 402(a) of the bill amends section 202(b)(2) of the Annual and Sick Leave Act of 1951 (5 U.S.C. 2061(b)(2)) by substituting the words "the United States" for the words "the several States and the District of Columbia." This is a technical amendment, made necessary by the new definition which is provided by the amendment made by section 402(c) of the bill in order to clarify the application of the Annual and Sick Leave Act of 1951 to employees occupying positions outside the several States of the United States (including Alaska and, when admitted to the Union, Hawaii) and the District of Columbia.

Section 402(b) of the bill is a technical amendment, similar in effect to the amendment made by section 402(a), which is necessary in order to conform the provisions of section 203(g) of the Annual and Sick Leave Act of 1951 (relating to the granting of leave to aliens employed by the Government outside the United States) to the new definition provided by the amendment made by section 402(c) of the bill.

Section 402(c) of the bill amends section 202 of the Annual and Sick Leave Act of 1951 by adding at the end thereof a new subsection (d) which defines the term "United States" for use in such Act. The term "United States" is defined, for purposes of the Act, as meaning the several States of the United States of America and the District of Columbia. The term "United States", as so defined, replaces the words "the several States and the District of Columbia" used in the Annual and Sick Leave Act of 1951 as in effect prior to enactment of the bill. This definition clarifies the intention that provisions of such Act, heretofore applicable to employees assigned to duty within the forty-eight States existing prior to the admission of Alaska and Hawaii as States and in the District of Columbia, shall apply with equal force and effect to employees assigned to duty in Alaska and (upon admission as a State) in Hawaii. The definition also clarifies the application of provisions of such Act which relate to employees outside the forty-eight States existing prior to the admission of Alaska and Hawaii as States and the District of Columbia. Such provisions will apply,

under the new definition, to employees assigned to duty at posts outside of the several States (including Alaska and, upon admission as a State, Hawaii) and the District of Columbia.

It is to be noted that the amendments made by title IV of the bill will be applicable to employees of the Veterans' Administration (except those employees subject to section 235(a)(7) of title 38 of the United States Code, as added by the Act of July 28, 1959 (Public Law 86-116), to the extent that such section 235(a)(7) is similar in effect to the amendments made by title IV).

Section 403 provides that the amendments made by title IV of the bill to the Annual and Sick Leave Act of 1951 shall take effect on the first day of the first pay period following the date of enactment of the bill.

TITLE V—APPROPRIATION, REPEAL, AMENDATORY, AND MISCELLANEOUS PROVISIONS

Title V consists of Part A (Appropriation Provisions), Part B (Repeal and Amendatory Provisions), and Part C (Miscellaneous Provisions).

PART A—APPROPRIATION PROVISIONS

Section 501 pertains to appropriations to carry out the purposes of this bill.

Section 501(a) authorizes the appropriation of such sums as may be necessary to carry out the purposes of the bill and of the amendments to existing law made by the bill.

Section 501(b) provides that appropriations or funds otherwise available, for the fiscal year ending June 30, 1960, to any department, agency, establishment, or corporation of the Federal Government within the purview of the bill or of any amendment made by the bill, are made available for the purposes of the bill and of any such amendment, in accordance with the authority contained in the bill or contained in any law amended by the bill and in accordance with such regulations as the President may prescribe.

PART B—REPEAL AND AMENDATORY PROVISIONS

Section 511 of the bill contains provisions which repeal, amend, modify, and conform existing law.

Section 511(a) of the bill contains specific repeal provisions.

Section 511(a)(1) of the bill repeals specified sections of the Foreign Service Act of 1946, as follows:

(1) Section 443 (22 U.S.C. 888), pertaining to salary differentials at hardship posts, which is replaced by section 231 of the bill, relating to post differential.

(2) Section 901 (22 U.S.C. 1131), pertaining to quarters allowances, cost-of-living allowances, and representation allowances, which is replaced by section 211 (quarters allowances), section 221 (cost-of-living allowances), and section 301 (representation expenses), of the bill.

(3) Section 902 (22 U.S.C. 1132), pertaining to official residence expenses, which is replaced by the new section 23 of the Administrative Expenses Act of 1946 (official residence expenses) added to such Act by section 321(a) of the bill.

(4) Section 903 (22 U.S.C. 1133), pertaining to accounting allowances, which is unnecessary in view of section 203 of the (regulations of the President governing payment of allowances and differentials) and other related provisions.

(5) Section 911(9) (22 U.S.C. 1136(9)), pertaining to travel expenses for purposes of secondary or college education, which is replaced by section 221(4)(B) of the bill, relating to the travel payment for educational purposes.

Section 511(a)(2) repeals sections 2(b), 13, and 14 of the Act of August 1, 1956 (5 U.S.C. 170g(b), 170r, and 170s), which provided certain basic authority for the Department of State.

Section 2(b) of such Act, relating to payment by the Secretary of State of certain transportation and storage costs of employees of the Foreign Service, is replaced by similar provisions contained in the amendments made by section 311 of the bill to the Foreign Service Act of 1946.

Sections 13 and 14 of such Act of August 1, 1956, relating to the extension of the quarters allowance of the Foreign Service of the United States to include water and the availability of appropriations for advance payments of such allowances, are replaced by section 211(2) of the bill which provides that the living quarters allowance provided by the bill will include water and by section 202 of the bill which makes provision for advance payment of allowances.

Section 511(a)(3) of the bill repeals sections 1(d) and 4(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a(d) and 403e(b)).

Section 1(d) of such Act contained a definition of the term "continental United States". This definition is unnecessary in view of the definitions provided by section 111 of the bill.

Section 4(b) of such Act authorized the Director of Central Intelligence to grant to officers and employees of the Central Intelligence Agency allowances in accordance with section 901 (1) and (2) of the Foreign Service Act of 1946. Such section 4(b) is made unnecessary in view of the repeal by the bill of section 901 of the Foreign Service Act of 1946 and authority provided in title II of the bill for the Central Intelligence Agency to grant allowances and differentials to employees of such Agency.

Section 511(b) of the bill provides that any provision of law which is not repealed by section 511(a) of the bill but which is inconsistent with any provision of the bill or of any amendment made by the bill shall be held and considered to be amended, modified, or superseded to the extent necessary to carry out the purposes of and conform to such provisions of the bill or of such amendment. The purpose of this provision is to provide a basis for conforming existing law generally to the objects and purposes of the bill.

An example of the application of section 511(b) of the bill is the effect of such section on section 235 of title 38 of the United States Code, as added by the Act of July 28, 1959 (Public Law 86-116).

Section 235 of title 38 of the United States Code provides that the Administrator of Veterans' Affairs may provide to personnel of the Veterans' Administration who are United States citizens and are assigned by the Administrator to the Veterans' Administration office in the Republic of the Philippines, allowances and benefits similar to

those provided by certain sections of the Foreign Service Act of 1946, as follows:

- (1) Section 901(1) (allowances for temporary and permanent living quarters, heat, light, water, fuel, gas, and electricity);
- (2) Section 901(3) (representation allowances);
- (3) Section 902 (allotment for official residences of principal American representatives);
- (4) Section 903 (accounting for allowances);
- (5) Section 911(1), (2), (3), (4), (5), (7), and (9) (travel expenses);
- (6) Section 913 (transportation of automobiles);
- (7) Section 933 (return of personnel to the United States on leaves of absence); and
- (8) Section 941 (payment by the United States of expenses for treating illness or injury of officers or employees and dependents requiring hospitalization).

Such section 235 also provides that personnel of the Veterans' Administration who are United States citizens and are assigned to the Republic of the Philippines by the Administrator of Veterans' Affairs may be granted leaves of absence in the United States by the Administrator of Veterans' Affairs, similar to that provided by section 203(f) of the Annual and Sick Leave Act of 1951 (5 U.S.C. 2062(f)).

As noted above, section 511(a)(1) of this bill will repeal sections 901, 902, 903, and 911(9) of the Foreign Service Act of 1946 (22 U.S.C. 1131, 1132, 1133, and 1136(9)).

Section 901 of the Foreign Service Act of 1946 is replaced by section 211 (quarters allowances), section 221 (cost-of-living allowances), and section 307 (representation expenses), of the bill.

Section 902 of such Act is replaced by the new section 23 of the Administrative Expenses Act of 1946 (official residence expenses) added to such Act by section 321(a) of this bill.

Section 903 of such Act is replaced by similar provisions in section 203 of the bill and related provisions of title II of the bill.

Section 911(9) of such Act is replaced by section 221(4)(B) of this bill (travel payment for educational purposes).

Although the recently enacted section 235 of title 38 of the United States Code is not repealed by this bill, such section clearly is inconsistent with this bill to the extent that this bill covers the same matters as such section 235.

Section 511(b) of this bill makes it clear that section 235 of title 38 of the United States Code is superseded by this bill to the extent that the provisions of such section 235 cover the same matters as are covered by this bill.

The Veterans' Administration is covered by the definition of the term "Government agency" in section 111(2) of this bill and its personnel will be entitled to the allowances and differentials in foreign areas provided by title II of this bill rather than the similar allowances and benefits provided under section 235 of title 38 of the United States Code by reference to sections 901(1), 901(3), 902, 903, and 911(9) of the Foreign Service Act of 1946. In addition, the Veterans' Administration is presently within the purview of the Administrative Expenses Act of 1946 and the Annual and Sick Leave Act of 1951 and, consequently, will receive the benefit of the amendments made to those laws by section 301 of the bill (representation expenses), section 311(c)

of the bill (storage), section 321(a) of the bill (official residence expenses), section 331 (transportation of motor vehicles), and title IV of the bill (leave provisions). However, those employees of the Veterans' Administration who are subject to paragraphs (6) (transportation of motor vehicles) or (7) (leaves of absence) of section 235(a) of title 38 of the United States Code as added by the Act of July 28, 1959 (Public Law 86-116), will remain subject to such paragraphs and will not be subject to the amendment made by section 331 of the bill or to those provisions of the amendments made by title IV of the bill which are comparable to the provisions of such paragraph (7).

As a result of the enactment of this bill, section 235 of title 38 of the United States Code will be superseded in all respects except with respect to—

(1) the travel expenses provided under the language of subparagraph (5) of subsection (a) of such section 235 by reference to section 911 (1), (2), (3), (4), (5), and (7) of the Foreign Service Act of 1946;

(2) the transportation of automobiles provided under the language of subparagraph (6) of subsection (a) of such section 235 by reference to section 913 of the Foreign Service Act of 1946;

(3) the return of personnel to the United States on leaves of absence which is covered by the language of subparagraph (7) of subsection (a) of such section 235 by reference to section 933 of the Foreign Service Act of 1946; and

(4) payment by the United States of certain expenses of illness or injury which is provided for under the language of subparagraph (8) of subsection (a) of such section 235 by reference to section 941 of the Foreign Service Act of 1946.

Section 511(c) of the bill makes amendments to the Central Intelligence Agency Act of 1949 and the Act of June 26, 1930.

Section 511(c)(1) of the bill makes a technical amendment to section 1(c) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a(c)) which is necessary because of the repeal of section 1(d) of such Act by section 511(a)(3) of this bill.

Section 511(c)(2) of the bill makes a technical amendment to section 4(1)(A) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(a)(1)(A)) which provides for the payment by the Central Intelligence Agency of the travel expenses of its officers and employees assigned to permanent-duty stations outside the continental United States, including expenses incurred while traveling pursuant to authorized home leave. This technical amendment adjusts the language of such section 4(1)(A) to reflect similar provisions of this bill.

Section 511(c)(3) of the bill amends section 4(3)(A) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(a)(3)(A)) which relates to the authority of the Central Intelligence Agency to order to the United States for leave purposes certain officers and employees of the Agency on completion of two years of continuous service abroad. This amendment also is a technical amendment which is necessary to reflect certain provisions of the bill, for example, the definitions in section 111 of the bill.

Section 511(c)(4) of the bill amends section 4(3)(B) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(a)(3)(B)) which provides that, while in the continental United States on leave, the service of any officer or employee of the Central Intelligence Agency

shall not be available for work or duties except in the Agency or for training or for reorientation for work and the time of such work or duty shall not be counted as leave. This amendment provides that, while in the United States on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave. The amendment conforms to certain provisions of the bill such as the definitions in section 111 of the bill.

Section 511(c)(5) of the bill amends section 4(3)(c) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(a)(3)(C)) which provides that where an officer or employee of the Central Intelligence Agency on leave returns to the United States or its Territories and possessions, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States or its Territories and possessions, and such time as may be necessarily occupied in awaiting transportation. The sole change made by this amendment is to eliminate the words "United States or its Territories and possessions" and substitute in lieu thereof a reference to the United States which will conform to the definitions contained in section 111 of the bill.

Section 511(c)(6) of the bill amends the Act of June 26, 1930 (5 U.S.C. 118a), which provides that civilian officers and employees of the Government having permanent station in a foreign country may be furnished, without cost to them, living quarters in Government-owned or rented buildings and, where such quarters are not available, may be granted an allowance for living quarters including heat, fuel, and light. The amendment made by section 511(c)(6) of the bill strikes out all references in such Act to allowances in lieu of living quarters as unnecessary in view of the provisions with respect to quarters allowances contained in Part B of title II of the bill.

PART C—MISCELLANEOUS PROVISIONS

Conforming Provision

Section 521 of the bill provides that, whenever reference is made in any other law or in any regulation to any provision of law which is repealed, modified, amended, or superseded by reason of section 511 of the bill, such reference (unless inconsistent with the objects and purposes of this bill) shall be held and considered to refer to this bill, or the appropriate provision of, or amendment made by, this bill.

The recently enacted Defense Department Overseas Teachers Pay and Personnel Practices Act (Public Law 86-91) contains provisions which illustrate the application of section 521 of the bill.

Section 7(b) of such Act provides that each teacher (other than a substitute teacher) shall be entitled, for each school year for which he performs services as a teacher, to quarters or a quarters allowance equal to those authorized by the Act of June 26, 1930 (5 U.S.C. 118a).

Section 7(c) of such Act provides, in part, that each teacher (other than a substitute teacher) who is performing services as a teacher at the close of a school year and agrees in writing to serve as a teacher for the next school year may be authorized, for the recess period immediately preceding such next school year, quarters or a quarters

allowance equal to those authorized by the Act of June 26, 1930 (5 U.S.C. 118a).

It should be noted that section 511(c)(6) of the bill proposes to eliminate from the Act of June 26, 1930, all references to living quarters allowances so that such Act will provide only for living quarters for Government employees and not for the granting of allowances in lieu of the living quarters. However, Part B of title II of this bill contains provisions with respect to quarters allowances which will replace on a broader scale the allowance provisions contained in the Act of June 26, 1930. As a result of the operation of section 521 of this bill, any teacher within the purview of section 7(b) or 7(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act will be entitled to living quarters in Government-owned or rented buildings equal to those authorized by the Act of June 26, 1930, or, where such quarters are not available, quarters allowances equal to those authorized by Part B of title II of this bill (in lieu of allowances equal to those authorized by those provisions of the Act of June 26, 1930, which will be eliminated by section 511(c)(6) of this bill).

Likewise, section 8(a) of the Defense Department Overseas Teachers Pay and Personnel Practices Act provides that each teacher (other than a substitute teacher) shall be entitled, in addition to basic compensation, to cost-of-living allowances equal to those authorized by section 901(2) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)) which is repealed by section 511(a)(1) of this bill. As a result of the operation of section 521 of this bill, a teacher to whom section 8(a) of the Defense Department Overseas Teachers Pay and Personnel Practices Act is applicable will be entitled to cost-of-living allowances equal to those authorized by Part C of title II of this bill rather than cost-of-living allowances equal to those authorized by section 901(2) of the Foreign Service Act of 1946 which is repealed by section 511(a)(1) of this bill.

Section 8(a) of the Defense Department Overseas Teachers Pay and Personnel Practices Act contains another example of the application of section 521 of this bill.

Such section 8(a) further provides that each teacher (other than a substitute teacher) shall be entitled, in addition to basic compensation, to additional compensation equal to that authorized under section 207 of the Independent Offices Appropriation Act, 1949 (5 U.S.C. 118h).

It is pointed out in that portion of this explanation of the bill which relates to Part D of title II of the bill—post differentials—that it is the intent of the committee that the provisions of title II of this bill shall supersede the provisions of section 207 of the Independent Offices Appropriation Act, 1949, and that such section 207 no longer will apply to employees in foreign areas within the purview of title II of this bill. To the extent that a teacher subject to the Defense Department Overseas Teachers Pay and Personnel Practices Act comes within the provisions of title II of this bill, he will be entitled, (as a result of the application of section 521 of this bill and the intent of the committee discussed above) to post differential equal to that authorized by Part D of title II of this bill rather than additional compensation equal to that authorized under section 207 of the Independent Offices Appropriation Act, 1949.

Transition Provision

Section 522 of the bill provides for the transition from the system of allowances and differentials provided under existing law to the new system of allowances and differentials provided by this bill.

Section 522 provides that notwithstanding any provision of this bill and until such time as regulations are issued under this bill, employees shall continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this bill and that such rules and regulations may be amended or revoked in accordance with the provisions of such laws.

Exemptions From Tax For Certain Allowances

Section 523(a) amends section 912 of the Internal Revenue Code of 1954, which relates to the exemption from Federal income tax of certain allowances. Under paragraph (1) of the existing section 912, in the case of civilian officers and employees of the United States stationed outside the continental United States, amounts received as cost-of-living allowances in accordance with regulations approved by the President are not includible in gross income. Under paragraph (2) of the existing section 912, amounts received by an officer or employee of the Foreign Service of the United States as allowances or otherwise under title IX of the Foreign Service Act of 1946 are not includible in gross income.

Section 523(a) of the bill, as amended by the committee, amends section 912 of the Internal Revenue Code of 1954 to make the changes in it made necessary by reason of the provisions of titles II and III of the bill. The amended paragraph (1) of section 912 provides that in the case of civilian officers and employees of the United States, amounts received as allowances or otherwise under certain designated provisions of law are not to be included in gross income. The designated provisions of law are:

- (1) Title IX of the Foreign Service Act of 1946.
- (2) Section 4 of the Central Intelligence Agency Act of 1949.
- (3) Title II of the bill.

(4) Subsections (e) and (f) of the first section of the Administrative Expenses Act of 1946, and sections 22 and 23 of that Act. The references to the provisions of law so designated are references to such provisions as amended from time to time, and thus include the amendments made thereto by title III of the bill.

In paragraph (1) of the amended section 912 it is made clear that its provisions do not apply to amounts received as post differentials. For this purpose, the term "post differentials" means, in general, amounts granted on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States, such as amounts granted pursuant to the authority contained in section 231 of the bill.

Under the bill as introduced, paragraph (1)(D) contained a reference to subsection (a) of the first section of the Administrative Expenses Act of 1946. Such subsection (a) provides, in general, that where a civilian officer or employee of the Government is, in the interest of the Government, transferred from one official station to another for

permanent duty, his travel expenses, the expenses of transporting his immediate family, and the expenses of transporting or storing his household goods, may be paid from Government funds. The third proviso of this subsection states that no part of such expenses may be paid from Government funds where the transfer is made primarily for the convenience or benefit of the officer or employee or at his request. Under Revenue Ruling 54-429 (1954 Cumulative Bulletin 1954-2, page 53), it has been held that where an employee is transferred in the interest of his employer from one official station to another for permanent duty, the allowance or reimbursement received for moving himself, his immediate family, family goods, and personal effects is not includible in the gross income of the employee if the total amount of the reimbursement or allowance is expended for such purpose. In view of this revenue ruling, the reference to such subsection (a) is stricken by a committee amendment on the grounds that it is unnecessary.

Paragraph (2) of the amended section 912 provides that in the case of civilian officers or employees of the United States who are stationed outside the continental United States, there shall not be included in gross income amounts (other than amounts received under title II of the bill) received as cost-of-living allowances in accordance with regulations approved by the President.

For purposes of the new paragraph (2), Alaska is not treated as part of the continental United States. Thus, in the case of a civilian officer or employee of the United States stationed in Alaska, amounts received as a cost-of-living allowance in accordance with regulations approved by the President are not to be included in gross income.

Section 523(b) of the bill as amended by the committee provides that the amended section 912 of the Internal Revenue Code of 1954 is to apply only with respect to amounts received on or after the date of the enactment of the bill in taxable years ending after that date. In the case of any amount received before the date of the enactment of the bill, its tax treatment is to be determined under existing law without inferences drawn from the amendment made by the bill. Furthermore, the tax treatment of amounts received on or after the date of the enactment of the bill to which the provisions of the amended section 912 are not expressly made applicable is to be made under the Internal Revenue Code of 1954 without inferences from the fact that such provisions are not expressly made applicable.

AGENCY REPORTS

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., June 10, 1959.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on H.R. 5007 and H.R. 5099, 86th Congress, identical bills to improve the administration of overseas activities of the Government of the United States, and for other purposes.

The purpose of these bills is stated in their titles and amplified in section 101. They would provide a more effective and uniform

means for compensating employees in overseas areas for extra costs and hardships incident to their assignments, and would facilitate the recruitment and retention of the best qualified personnel for civilian service overseas.

These bills would authorize the following not now authorized for civilian employees of the Department of Defense in overseas areas:

(a) Temporary lodging allowance for not to exceed 3 months after first arrival at new post of assignment and for not to exceed 1 month preceding final departure from the post, both depending on immediate nonavailability of residence quarters.

(b) Addition of "water" to the list of utilities included in the quarters allowance authorization.

(c) Repair, alteration, and improvement of employee's privately leased residence under certain conditions.

(d) Transportation costs to a school in the United States for dependents, not to exceed one trip each way, for purposes of obtaining secondary or undergraduate college education.

(e) Storage and related expense for household goods when in the public interest.

(f) Transportation of motor vehicles when it is determined to be in the interest of the Government for an employee to have the use of a motor vehicle at his post of duty.

(g) Extension of provisions of section 203(d)(1) of the Annual and Sick Leave Act of 1951 to permit employees recruited from Alaska, Hawaii, Puerto Rico, or the possessions for employment outside the area of recruitment or from which transferred to accumulate not to exceed 45 days of annual leave.

(h) Authorization of home leave. Upon completion of 24 months of continuous service outside the continental United States employees may be granted leave of absence at a rate not to exceed 1 week for each 4 months of such service for use in the continental United States or (if their place of residence is outside the area of employment) in Alaska, Hawaii, Puerto Rico, or the possessions.

(i) Amendment of section 912(1) of the Internal Revenue Code of 1954 to exempt foreign area allowances from income taxes.

The Department of Defense has consistently favored enactment of legislation containing the fundamental provisions of H.R. 5007 and H.R. 5099. These bills embody many of the features which this Department has recommended for inclusion in similar bills introduced in previous sessions of the Congress. Enactment of this legislation would be of material benefit to the Department of Defense in recruiting and retaining the best qualified civilian personnel for its overseas activities.

H.R. 5007 and H.R. 5099 have been carefully reviewed in consideration of recent experience in overseas employment and in light of some recent developments such as Alaskan and Hawaiian statehood. The Department of Defense suggests the following changes to make these bills more responsive to current needs:

1. The recent acquisition of statehood by Alaska and the impending statehood for Hawaii has created problems because of various definitions in statutes of such terms as "United States," "continental United States" and "foreign area." For purpose of clarification and to take into account differences in application of certain provisions

of law to Alaska or Hawaii, as compared to the other 48 States, the following changes in definitions are recommended:

Page 3, line 5: After "Alaska" insert "and Hawaii". This will insure that when Hawaii becomes a State it will not be included in the term "continental United States."

Page 3, line 6: Following line 6 insert a new subsection as follows:
"(5) 'United States' means the several States of the United States of America and the District of Columbia; and,". This will provide a term for application to all the States and the District of Columbia.

Page 3, line 8: Redesignate this subsection as (6) instead of (5) and delete the words "continental" and "excluding Alaska, Hawaii".

Page 6, line 15: Strike out "continental".

Page 7, line 25: Change "111(5)" to "111(6)".

2. Under present law and regulation a post differential may be paid to employees on extended detail to a foreign post. In some cases this results in a reduction if an employee is detailed from one foreign post to another with a lower differential. To insure that this practice can be continued the following changes should be made:

Page 3, line 16: After the parentheses insert: "and except as provided in section 231".

Page 8, line 13: Change the period at the end to a comma and add "and may be granted to employees stationed at or on extended detail to a foreign post."

3. The Administrative Expenses Act of 1946, as amended, limits the shipment of household effects for civilian employees to 7,000 pounds if uncrated or 8,750 pounds if crated. The 7,000 pounds limit is generally adequate; however, the limit for crated effects is unrealistic and has created many problems in the case of overseas shipments. The packing and crating which is necessary for overseas shipment increases the total weight of the shipment an average of 90 percent. The result is that employees are automatically restricted to a figure which, exclusive of packing and crating material, is considerably lower than was intended. In quite a few cases employees shipping household effects well within the uncrated limit of 7,000 pounds have been forced to pay overweight shipment charges running into several hundred dollars. To correct this inequity it is recommended that an amendment to the Administrative Expenses Act be included which would remove the present weight limit for crated household goods and effects, as follows:

Page 11, line 21: After "by" insert "striking out the second parenthetical clause in subsection (a) and inserting in lieu thereof '(not to exceed seven thousand pounds net weight)' and by".

4. Because of the acquisition of statehood by Alaska and the impending acquisition of statehood by Hawaii the coverage of the Annual and Sick Leave Act of 1951 as amended should be clarified. The Department of Defense believes that the provisions of this Act should apply equally in all States of the Union. To accomplish this "United States" should be defined in the Annual and Sick Leave Act as that term is proposed to be defined in section 111 of H.R. 5007 and H.R. 5099. This will require the following changes in subsection 402(c):

Page 21, line 4: Strike out "continental".

Page 21, line 6: Strike out "(including Alaska)".

These changes make the change proposed in section 202(c)(2) of the Annual and Sick Leave Act [sec. 402(b) of the bills] unnecessary, but will require a change in section 203(g) of the Act. To accomplish this the following change should be made in H.R. 5007 and H.R. 5099.

Page 20, lines 13-22: Strike out the language of subsection (b) and insert in lieu thereof "Section 203(g) of such Act as amended (5 U.S.C. 2062(g)), is amended by striking out 'several States and the District of Columbia' and inserting in lieu thereof 'United States'."

The changes in definition above recommended will require the following changes in title IV of the bills:

Strike out "continental" at the following places: page 17, lines 22, 24; page 18, lines 5, 13, 17, 21; page 19, lines 10, 11, 17, 19, 24; and page 20, line 11.

Strike out "Hawaii" at the following places: page 17, line 25; page 18, lines 6, 14, 18, 22; and page 19, lines 13 and 25.

5. Employees who complete agreed tours of duty in overseas areas and who agree to serve for an additional tour at the same post are eligible for round trip travel to the United States for purposes of taking leave. Recently a question has been raised by the Bureau of Internal Revenue as to whether the expenses of such travel and transportation is income for purposes of taxation. The Department of Defense believes that as a matter of equity such expenses should not be considered income and should be clearly exempt from taxation. To accomplish this result, it is recommended that H.R. 5007 and H.R. 5099 be amended as follows:

Page 25, after line 6: Insert a new subsection as follows:

"(3) Expenses of Travel and Transportation.

"(a) In the case of civilian officers and employees of the United States Government, amounts received as expenses of travel and transportation, or costs of transportation provided in lieu thereof, from posts of duty outside the continental United States, to and from their place of residence, for the purposes of taking leave authorized by Section 7 of the Act of August 2, 1946, 60 Stat. 803, as amended.

"(b) The amendment made by this section shall apply with respect to taxable years beginning after December 31, 1953, and ending after the date of enactment of this Act."

6. In addition to the above changes the following minor technical corrections should be made:

Page 3, line 14: Strike out "Short title and", since the short title appears after the enacting clause.

Page 5, line 7: After "the" insert "reasonable".

COST AND BUDGET DATA

Cost to the Department of Defense of enactment of this proposal would be as follows:

	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963	Fiscal year 1964
Army.....	\$1,600,000	\$1,580,000	\$1,580,000	\$1,580,000	\$1,580,000
Navy.....	297,000	290,000	290,000	290,000	290,000
Air Force.....	1,075,000	1,020,000	1,020,000	1,020,000	1,020,000
Total.....	2,972,000	2,890,000	2,890,000	2,890,000	2,890,000

No funds for this proposal have been provided in the Department of Defense Appropriation estimates for fiscal year 1960. In the event of enactment, additional funds would be required.

The Bureau of the Budget has advised that there is no objection to the submission of this report to the Congress.

Sincerely yours,

ROBERT DECHERT
(Signed for L. Niederlehner).

DEPARTMENT OF STATE,
Washington, May 5, 1959.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. MURRAY: Reference is made to your letters of March 4, 1959, requesting reports on identical bills H.R. 5007 and H.R. 5099, to improve the administration of overseas activities of the Government of the United States, and for other purposes.

The subject bills would extend to employees of other agencies who are stationed in foreign areas certain benefits that are now available only to the Foreign Service and to employees of those agencies to which the provisions of the Foreign Service Act have been specifically extended.

The Department considers that more uniform emoluments for Government employees stationed in foreign areas whose terms and conditions of employment are similar will contribute to improved personnel administration. Although the Department recognizes the benefits that can accrue from a governmentwide approach, it would like to point out that the Foreign Service Act of 1946, as amended, constitutes, with relatively few exceptions, an integrated statute to govern the organization and administration of the Foreign Service. This Act, as you are aware, originated with the House Committee on Foreign Affairs, which has, together with the Senate Committee on Foreign Relations, consistently maintained a deep interest in all matters affecting the Foreign Service. As a consequence of this, the Department is forwarding a copy of its comments to you on these two bills to the chairman of the House Committee on Foreign Affairs and the chairman of the Senate Committee on Foreign Relations.

Subject to the additional comments contained herein, the Department of State favors this proposed legislation. It is suggested, however, that section 311(a) of the bills be revised to delete the period at the end of the proposed amendment to paragraph (5) of section 911 of the Foreign Service Act of 1946 and to insert in lieu thereof a semicolon and the following limiting clause which appears at the end of the proposed paragraph (4): “; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.”

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary
(For the Secretary of State).

THE SECRETARY OF THE TREASURY,
Washington, June 30, 1959.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

MY DEAR MR. CHAIRMAN: A bill in which the Treasury Department has an interest has come to our attention. Section 523 of H.R. 7758, a bill introduced by Mr. Morrison and entitled "Overseas Differentials and Allowances Act," would amend section 912 of the Internal Revenue Code of 1954 to expand the existing exemptions allowed with respect to certain allowances received by Government employees. It is believed that your committee will be interested in the views of the Treasury Department on these provisions.

The purpose of the bill is to achieve uniform treatment between Foreign Service personnel and other Government employees overseas with respect to the certain types of tax-exempt allowances now granted Foreign Service personnel under title IX of the Foreign Service Act of 1946. These include allowances for temporary lodging, representation expenses, official residence, storage, and expenses of travel and transportation in connection with home leave. The bill also provides for tax exemption on new types of allowances not now provided.

The objective of the bill (to achieve uniformity as between employees of different Government agencies) is a desirable one and has the full support of this Department. But insofar as the bill would achieve that objective through tax exemption, it is believed undesirable.

The practice of splintering off or earmarking parts of compensation and investing them with a special character is one which should be resisted. The compensation paid in areas with high price levels may well be higher than those where price levels are low. This is a factor which applies within the United States as well as abroad. Except for the special case of Alaska, which recently became a State, we make no tax distinction within the United States among salaries or parts of them which reflect local variations in living costs or other factors. There seems to be no valid reason for making such a distinction with respect to overseas employment.

The enlarged scope of tax exemption contemplated by the bill is highly undesirable from the point of view of maintaining a sound and equitable tax system. By enlarging the application of tax exemption, the bill would aggravate inequities which now exist, would increase resentment on the part of employees and employers in private industry, and intensify pressures for expansion of tax-exempt allowances. The tax-exempt status of cost-of-living allowances given to Government employees stationed outside continental United States has created continued pressure for expanding its application to private employees. Although the Department has resisted such demands, it will be even more difficult to do so if such allowances are broadened.

In view of the basic changes made by the proposed bill in the structure of the statutes which provide for overseas allowances, we recognize that it will be necessary to amend section 912. However, we believe that these amendments should be so limited that they do no more than continue the exemptions now provided for by section 912 for overseas allowances.

The Bureau of the Budget has advised the Treasury Department that there is no objection to the presentation of this report.

Sincerely yours,

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, March 31, 1959.

B-115138.

Hon. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: By separate letters both dated March 4, 1959, and acknowledged on March 5, you requested our report upon H.R. 5007 and H.R. 5099, respectively, which bills appear identical.

The bills would provide a uniform basis for the granting of special benefits to all personnel stationed outside the continental United States. In general, we favor the objectives of the bills although we have reservations concerning the necessity for, or the propriety of, certain of the provisions of the bills in their present form. Our comments upon those provisions are as follow:

Section 211(1)(A): The temporary lodging allowance authorized under this provision for a period not to exceed 3 months conceivably could cover premium accommodations in an expensive hotel for the employee and his family. There is no monetary limitation upon the amount allowable under the provision. In contrast the present provisions of section 901 of the Foreign Service Act of 1946 (22 U.S.C. 1131), limit the amount payable for lodging at temporary quarters to the amount of per diem that would have been allowable to the employee and members of his family for such period if they had been in a travel status. In the absence of some appropriate limitation, this provision of the bill could become subject to abuse.

Section 211(1)(B): We understand that in the State Department the general practice is to notify the employee months in advance of his transfer and that arrangements for crating and shipping his effects normally are made by State Department personnel after departure from the area of the employee who is being transferred. Obviously, under such practice there would be no need for payment of a temporary lodging allowance a month prior to the employee's departure. You may want to make it clear either in the bill itself or in your committee report that the temporary lodging allowance provided for in subparagraph (B) should not be granted as a routine practice but only when the circumstances are such as to indicate a bona fide need for the granting of such an allowance, and that the allowance should be granted for no longer period than circumstances require.

Section 211(3): The utmost care would have to be exercised in the administration of this provision to prevent abuse. If enacted it would afford opportunity for the granting of special treatment in individual cases. Moreover, it would authorize expenditures wherever U.S. employees are stationed in foreign areas for the purpose of making permanent improvements on property owned by foreign citizens with no direct compensating benefit to the United States. We urge that the

most careful consideration be given to the possible implications of this provision prior to its enactment.

We note that it is not necessary for an employee to be permanently stationed in a foreign area to be granted the allowances provided for in title II. Conceivably those allowances could be granted an employee who is in a foreign area on temporary duty and who is receiving a per diem allowance while absent from his official station in the United States. In such a case, we think the employee should be precluded from receiving both the per diem allowance and a quarters allowance and a cost-of-living allowance under this title since in effect he would be compensated twice for the same expenses.

Section 311: For purposes of the storage provisions of the bill (title III, pt. B), subsection (d) defines the term "furniture and household and personal effects" and the term "household goods and personal effects" to include "motor vehicles authorized to be shipped at Government expense." However it is not clear whether it is intended that the weight of an automobile be included in applying the weight limitation on property that may be stored. Also, we doubt the necessity for a provision which would authorize storage of an automobile upon arrival at a new post. Whereas storage of ordinary household goods and effects might be necessary while the employee is locating permanent resident quarters, the same ordinarily would not be true in the case of an automobile which the employee doubtless would use from the date of his arrival at the post. Finally, we recommend that it be made clear in the bill or in your report that reimbursement of ordinary garage rent paid by an employee who rents garage space in a foreign area would not be reimbursable under the guise of storage.

Sections 332 and 333: Under these sections, there is no limit upon the number of replacement vehicles that can be shipped at Government expense whereas section 331 imposes a reasonable limitation—one replacement vehicle in 4 years unless replacement is required prior to that time by reason of conditions beyond the control of the employee. Since it is not unusual for Government employees to sell their automobiles in foreign countries, we think that a reasonable limitation should be placed upon the number of replacement automobiles which the Government will transport without charge under these sections (secs. 332 and 333) also.

Section 401: Employees now stationed outside the United States—other than officers and employees in the Foreign Service—are allowed to accumulate 45 days' annual leave or 15 days more than employees stationed within the United States. Officers and employees of the Foreign Service, on the other hand, while entitled to accumulate only 30 days annual leave are granted, in addition, a special leave which accrues at the rate of 1 week for each 4 months of service. The special leave is cumulative from year to year but may not be used as a basis for any lump-sum leave payment. Section 401 would increase the amount of leave Foreign Service officers and employees may accumulate from 30 days to 45 days. At the same time it would grant employees stationed in foreign areas, other than employees of the Foreign Service, special leave benefits comparable with those allowable to officers and employees of the Foreign Service. It occurs to us that you may wish to provide one or the other of the benefits—the 45-day accumulation ceiling or the special leave provision applicable to Foreign Service—rather than both benefits as presently is

provided by this section. If all employees stationed in foreign areas are granted special leave similar to that applicable to Foreign Service officers and employees it would appear reasonable to reduce their leave accumulation ceiling to 30 days.

Sincerely yours,

FRANK H. WEITZEL,
Acting Comptroller General of the United States.

THE LIBRARIAN OF CONGRESS,
Washington, D.C., March 19, 1959.

HON. JAMES H. MORRISON,
Committee on Post Office and Civil Service,
Chairman, Subcommittee on H.R. 5007,
House of Representatives, Washington, D.C.

DEAR MR. MORRISON: I am very grateful to the Committee on Post Office and Civil Service for giving me an opportunity to comment on H.R. 5007.

I am very much interested in having the provisions of this bill apply to the Library of Congress because it is not presently authorized to pay from its regular congressional appropriations post differentials, and cost-of-living and similar allowances to Library personnel who may be stationed in foreign countries.

Authority to make such payments would meet an occasional need in connection with our normal foreign acquisitions program and would seem to be mandatory if the Library is to implement successfully the foreign programs which the Librarian of Congress is authorized to establish pursuant to section 104(n) of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) as extended and amended by Public Law 85-931.

I wish to thank you very much for your continued interest in the Library and should you need further information on the application of H.R. 5007, I shall be glad to provide it.

Sincerely yours,

L. QUINCY MUMFORD,
Librarian of Congress.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., June 11, 1959.

HON. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
U.S. House of Representatives, Washington, D.C.

DEAR MR. MURRAY: This is in further reply to your letters of February 27 and March 4, 1959, requesting the views of the Civil Service Commission on H.R. 5007 and H.R. 5099, identical bills to improve the administration of overseas activities of the Government of the United States, and for other purposes.

These bills are identical in purpose and substantially alike in detail to three bills introduced in the 85th Congress, H.R. 3527, H.R. 4943, and H.R. 6853, identical bills upon which the Commission reported favorably to your committee on March 3, 1958.

The Commission favors the enactment of either H.R. 5007 or H.R. 5099. For a number of years the Commission has been interested in

improving and equalizing the administration of benefits for overseas employees. We believe enactment of the proposed legislation will accomplish these purposes.

The Bureau of the Budget has advised us that there is no objection to the submission of this report to your committee.

By direction of the Commission:

Sincerely yours,

(Signed) ROGER W. JONES, *Chairman.*

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill (H.R. 7758), as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ADMINISTRATIVE EXPENSES ACT OF 1946

AN ACT To authorize certain administrative expenses in the Government service, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) under such regulations as the President may prescribe, any civilian officer or employee of the Government who, in the interest of the Government, is transferred from one official station to another, including transfer from one department to another, for permanent duty, shall, except as otherwise provided herein, when authorized or approved by such subordinate official or officials of the department concerned as the head thereof may designate for the purpose, be allowed and paid from Government funds the expenses of travel of himself and the expenses of transportation of his immediate family (or a commutation thereof in accordance with the Act of February 14, 1931) and the expenses of transportation, packing, crating, temporary storage, drayage, and unpacking of his household goods and personal effects (not to exceed seven thousand pounds [if uncrated or eight thousand seven hundred and fifty pounds if crated or the equivalent thereof when transportation charges are based on cubic measurement] **net weight**): *Provided*, That advances of funds may be made to the officer or employee in accordance with said regulations under the same safeguards as are required under the Subsistence Expense Act of 1926 (5 U.S.C. 828): *Provided further*, That the allowances herein authorized shall not be applicable to officers and employees transferred in accordance with the provisions of the Foreign Service Act of 1946: *Provided further*, That no part of such expenses (including those of officers and employees of the Foreign Service, Department of State) shall be allowed or paid from Government funds where the transfer is made primarily for the convenience or benefit of the officer or employee or at his request: *Provided further*, That in case of transfer from one department to another such expenses shall be payable from the funds of the department to which the officer or employee is transferred: *And provided further*, That expenses of travel and transportation in connection with the transfer of officers and employees to posts of

duty outside the continental limits of the United States and return therefrom shall be allowed to the same extent and subject to the same limitations prescribed for new appointees under section 7 of this Act.

(b) In lieu of the payment of actual expenses of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects, in the case of such transfers between points in continental United States, reimbursement shall be made to the officer or employee on a commuted basis (not to exceed the amount which would be allowable for the authorized weight allowance) at such rates per one hundred pounds as may be fixed by zones in regulations prescribed by the President. Under such regulations as the President may prescribe, any civilian officer or employee who transports a house trailer or mobile dwelling within the continental United States, within Alaska, or between the continental United States and Alaska, for use as a residence and who would otherwise be entitled to transportation of household goods and personal effects under subsection (a) shall be entitled to a reasonable allowance, not to exceed 20 cents per mile, in lieu of such transportation.

(c) Funds available for travel expenses of civilian officers and employees shall also be available for the expenses of the transportation of their immediate families, and funds available for the transportation of things shall also be available for the transportation of household goods and effects, as authorized by this Act.

(d) When civilian officers and employees of the United States are on duty at places designated by the heads of their respective departments or agencies as within zones from which their immediate families should be evacuated for military or other reasons which create imminent danger to life or property, or adverse living conditions seriously affecting the health, safety, or accommodations of said families, or upon transfer or assignment to duty of such civilian officers and employees to places where their immediate families are not, for the aforesaid reasons, permitted to accompany them, their immediate families and household goods may be transported at Government expense, under such regulations as the heads of their respective departments and agencies may prescribe, to such location as may be designated by the civilian officer or employee concerned or by the immediate families of such officers and employees when circumstances prevent the officers and employees from designating such locations or when it is administratively impracticable to determine the intent of the officers or employees in this respect: *Provided*, That if such location designated by either the officers or employees or their immediate families is within an area to which such movement is prohibited for the aforesaid reasons, an alternate location may be designated by either the officers or employees concerned or their immediate families: *And provided further*, That such immediate families and household goods may later be transported at Government expense from the designated location or alternate location authorized in this subsection to a duty station to which the officers or employees concerned are assigned, and to which the above restrictions do not apply.

(e) *Whenever any civilian officer or employee (including any new appointee in accordance with section 7 of this Act) is assigned to a permanent duty station outside the continental United States to which he cannot take or at which he is unable to use his household goods and personal effects or whenever the head of the department concerned au-*

thorizes storage of any such property in the public interest or for reasons of economy, storage expenses (including related transportation and other expenses) may be allowed such officer or employee in accordance with regulations prescribed by the President; but in no instance shall the weight of the property stored under this subsection, together with the weight of property transported under subsection (a), exceed the maximum weight limitation provided by subsection (a).

(f) Under such regulations as the President may prescribe, the privately owned motor vehicle of any employee (including any new appointee, in accordance with section 7 of this Act) assigned to a post of duty outside the continental United States on other than temporary duty orders may be transported to, from, and between the continental United States and such post of duty, or between posts of duty outside the continental United States, whenever it is determined by the head of the department concerned to be in the interest of the Government for such employee to have the use of a motor vehicle at his post of duty. Not more than one motor vehicle of any employee may be transported under authority of this subsection during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any employee may be so transported during such period upon approval, in advance, by the head of the department concerned and upon a determination, in advance, by such department head that such replacement is necessary for reasons beyond the control of the employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this subsection of a privately owned motor vehicle of any employee who has remained in continuous service outside the continental United States during such period, the transportation of a replacement for such motor vehicle for such employee may be authorized, in accordance with this subsection, by the head of the department concerned. The head of each department may, in accordance with this subsection, authorize the transportation of privately owned motor vehicles of employees of such department, assigned to duty outside the continental United States, by commercial means if available at reasonable rates and under reasonable conditions or by Government means on a space-available basis. This subsection shall not apply to the Foreign Service of the United States under the Department of State and to the Central Intelligence Agency but shall not affect the authority contained in section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) or paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 210, 72 Stat. 337; 50 U.S.C. 403e (a) (4)).

SEC. 2. * * *
(Executed and obsolete.)

SEC. 3. * * *
(Repealed and obsolete.)

SEC. 4. * * *
(Executed.)

SEC. 5. Persons in the Government service employed intermittently as consultants or experts and receiving compensation on a per diem when actually employed basis may be allowed travel expenses while away from their homes or regular places of business, including per diem in lieu of subsistence while at place of such employment, in accordance with the Standardized Government Travel Regulations, Subsistence Expense Act of 1926, as amended (5 U.S.C. 821-833), and the Act of February 14, 1931, as amended by this Act, and per-

sons serving without compensation or at \$1 per annum may be allowed, while away from their homes or regular places of business, transportation in accordance with said regulations and said Act of February 14, 1931, as so amended, and not to exceed \$15 per diem within the limits of the continental United States and beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836) in lieu of subsistence en route and at place of such service or employment unless a higher rate is specifically provided in an appropriation or other Act: *And provided further*, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7 of the Travel Expense Act of 1949 as amended (5 U.S.C. 840) prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status.

SEC. 6. Section 10 of the Act of March 3, 1933 (5 U.S.C. 73b), is hereby amended to read as follows:

"SEC. 10. Whenever by or under authority of law actual expenses for transportation may be allowed, such allowances shall not exceed the lowest first-class rate by the transportation facility used in such transportation unless it is certified, in accordance with regulations prescribed by the President, that lowest first-class accommodations are not available or that use of a compartment or such other accommodations as may be authorized or approved by the head of the agency concerned or such subordinates as he may designate, is required for purposes of security."

SEC. 7. (a) Appropriations for the departments shall be available, in accordance with regulations prescribed by the President, for expenses of travel of new appointees, expenses of transportation of their immediate families and expenses of transportation of their household goods and personal effects from places of actual residence at time of appointment to places of employment outside continental United States, and for such expenses on return to employees from their posts of duty outside continental United States to the places of their actual residence at time of assignment to duty outside the United States: *Provided*, That such expenses of travel and transportation to posts of duty outside the continental United States shall not be allowed unless and until the person selected for appointment shall agree in writing to remain in the Government service for twelve months following his appointment, unless separated for reasons beyond his control and acceptable to the department or agency concerned and in case of violation of such agreement any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States: *And provided further*, That expenses of return travel and transportation upon separation from the service shall be allowed whether such separation is for the purposes of the Government or for personal convenience, but shall not be allowed unless such persons selected

for appointment outside the continental United States shall have served for a minimum period of not less than one nor more than three years prescribed in advance by the head of the department or agency concerned or unless separation is for reasons beyond the control of the individual and acceptable to the department or agency concerned: *Provided further*, That expenses of round trip travel of employee and transportation of immediate family but excluding household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment or transfer to such overseas posts of duty, shall be allowed in the case of persons who have satisfactorily completed an agreed period of service overseas and are returning to their actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same or some other overseas post, under a new written agreement entered into before departing from the overseas post: *Provided further*, Any officer or employee of the United States appointed by the President, by and with the advice and consent of the Senate, to serve for a term fixed by law, whose post of duty is outside the continental United States, shall be allowed expenses of round trip travel for himself and transportation of his immediate family, but excluding household effects, from his post of duty outside the continental United States to the place of his actual residence at the time of his appointment to such overseas post of duty, at the end of each two years of satisfactory service completed overseas, if he is returning to his actual place of residence for the purpose of taking leave prior to serving at least two more years of overseas duty: *Provided further*, That expenses of transportation of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence shall be allowed, not in excess of one time, prior to the return of such employee to the United States, including its Territories and possessions, when the employee has acquired eligibility for such transportation or when the public interest requires the return of the immediate family for compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstances over which the individual has no control: *And provided further*, That when an employee returns his immediate family and household goods to the United States, including its Territories and possessions, at his own expense prior to his return and for other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquires eligibility therefor.

(b) Appropriations for the departments shall be available in accordance with regulations prescribed by the President, for expenses of travel of persons appointed to positions in the natural and mathematical sciences, engineering, and architectural fields, and to related technical positions in the continental United States and Alaska for which there is determined by the Civil Service Commission to be a manpower shortage in those skills which are critical to the national security effort, and for expenses of transportation of their immediate families and their household goods and personal effects and for advances of funds to the extent authorized by section 1(a) and (b) of this Act, from their places of actual residence at time of selection to their first duty station. Such travel expenses may include per diem

and mileage allowance for persons selected for appointment as provided for civilian officers and employees by the Travel Expense Act of 1949, as amended. Travel and transportation expenses may be allowed whether the person selected for appointment has been appointed or not at the time of such travel. However, the travel and transportation expenses authorized by this subsection shall not be allowed unless the person selected for appointment shall agree in writing to remain in the Government service for twelve months following his appointment unless separated for reasons beyond his control and acceptable to the department or agency concerned. In case of violation of such agreement, any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States.

(c) The authority of the Civil Service Commission to determine for purposes of this Act positions for which there is a manpower shortage shall not be delegated. The provisions of subsections (b) and (c) of section 7 of this Act shall expire two years from the date of their enactment into law.

(d) Nothing contained in this section shall impair or otherwise affect the authority of any department under existing law to pay travel and transportation expenses of persons designated in subsection (b) and (c) hereof.

SEC. 8. * * *

(Obsolete.)

SEC. 9. (a) Section 3709 of the Revised Statutes of the United States is hereby amended to read as follows:

"Unless otherwise provided in the appropriation concerned or other law, purchases and contracts for supplies or services for the Government may be made or entered into only after advertising a sufficient time previously for proposals, except (1) when the amount involved in any one case does not exceed \$2,500, (2) when the public exigencies require the immediate delivery of the articles or performance of the service, (3) when only one source of supply is available and the Government purchasing or contracting officer shall so certify, or (4) when the services are required to be performed by the contractor in person and are (A) of a technical and professional nature or (B) under Government supervision and paid for on a time basis. Except (1) as authorized by section 29 of the Surplus Property Act of 1944 (50 U.S.C. App. 1638), (2) when otherwise authorized by law, or (3) when the reasonable value involved in any one case does not exceed \$500, sales and contracts of sale by the Government shall be governed by the requirements of this section for advertising."

(b) Exemptions from section 3709, Revised Statutes, in other law in amounts of \$100 or less are hereby repealed.

(c) In the case of wholly owned Government corporations, this section shall apply to their administrative transactions only.

SEC. 10. Whenever a department is authorized by law to hold hearings and to subpoena witnesses for appearance at said hearings, witnesses summoned to and attending such hearings shall be entitled to the same fees and mileage, or expenses in the case of Government officers and employees, as provided by law for witnesses attending in the United States courts.

SEC. 11. The first sentence of section 3648 of the Revised Statutes (31 U.S.C. 529) is hereby amended to read as follows:

"No advance of public money shall be made in any case unless authorized by the appropriation concerned or other law."

SEC. 12. The head of any department may delegate to subordinate officials (1) the power vested in him by law to take final action on matters pertaining to the employment, direction, and general administration of personnel under his department; (2) the authority vested in him by section 3683 of the Revised Statutes (31 U.S.C. 675) to direct the purchase of articles from contingent funds; and (3) the authority vested in him by section 3828, Revised Statutes (44 U.S.C. 324), to authorize the publication of advertisements, notices or proposals.

SEC. 13. Appropriations available for the procurement of supplies and material or equipment shall be available for the purchase and maintenance of special clothing and equipment for the protection of personnel in the performance of their assigned tasks.

SEC. 14. * * *

(Repealed.)

SEC. 15. The head of any department, when authorized in an appropriation or other Act, may procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, and in such cases such service shall be without regard to the civil-service and classification laws (but as to agencies subject to the Classification Act at rates not in excess of the per diem equivalent of the highest rate payable under the Classification Act, unless other rates are specifically provided in the appropriation or other law) and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended by this Act.

SEC. 16. (a) Section 5 of the Act of July 16, 1914 (5 U.S.C. 78), is amended to read as follows:

"SEC. 5. (a) Unless specifically authorized by the appropriation concerned or other law, no appropriation shall be expended to purchase or hire passenger motor vehicles for any branch of the Government other than those for the use of the President of the United States, the secretaries to the President, or the heads of the executive departments enumerated in 5 U.S.C. 1.

"(b) Excepting appropriations for the Military and Naval Establishments, no appropriation shall be available for the purchase, maintenance, or operation of any aircraft unless specific authority for the purchase, maintenance, or operation thereof has been or is provided in such appropriation.

"(c) Unless otherwise specifically provided, no appropriation available for any department shall be expended—

"(1) to purchase any passenger motor vehicle (exclusive of busses, ambulances, and station wagons), at a cost, completely equipped for operation, and including the value of any vehicle exchanged, in excess of the maximum price therefor, if any, established pursuant to law by a Government agency and in no event more than such amount as may be specified in an appropriation or other Act, which shall be in addition to the amount required for transportation;

"(2) for the maintenance, operation, and repair of any Government-owned passenger motor vehicle or aircraft not used exclusively for official purposes; and 'official purposes' shall not include the transportation of officers and employees between their domiciles and places of employment, except in cases of medical officers on out-patient medical service and except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only as to such latter cases when the same is approved by the head of the department concerned. Any officer or employee of the Government who willfully uses or authorizes the use of any Government-owned passenger motor vehicle or aircraft, or of any passenger motor vehicle or aircraft leased by the Government, for other than official purposes or otherwise violates the provisions of this paragraph shall be suspended from duty by the head of the department concerned, without compensation, for not less than one month, and shall be suspended for a longer period or summarily removed from office if circumstances warrant. The limitations of this paragraph shall not apply to any motor vehicles or aircraft for official use of the President, the heads of the executive departments enumerated in 5 U.S.C. 1, ambassadors, ministers, chargés d'affaires, and other principal diplomatic and consular officials.

"(d) In the budgets for the fiscal year 1948 and subsequent fiscal years there shall be submitted in detail estimates for such necessary appropriations as are intended to be used for purchase or hire of passenger motor vehicles or for purchase, maintenance, or operation of aircraft, specifying the sums required, the public purposes for which said conveyances are intended, the number of currently owned conveyances to be continued in use, and the officials or employees by whom all of such conveyances are to be used.

"(e) The acquisition of aircraft or passenger motor vehicles by any agency by transfer from another department of the Government shall be considered as a purchase within the meaning hereof."

(b) * * *

(Executed.)

SEC. 17. (a) * * *

(Executed.)

(b) That portion of the Act of July 31, 1876, (44 U.S.C. 321; 19 Stat. 105), reading as follows: "and in no case of advertisement for contracts for the public service shall the same be published in any newspaper published and printed in the District of Columbia unless the supplies or labor covered by such advertisement are to be furnished or performed in said District of Columbia" is hereby amended by adding at the end thereof "or in the adjoining counties of Maryland or Virginia".

(c) That portion of the Act of June 23, 1906 (3 U.S.C. 43) reading as follows: "not exceeding \$25,000 per annum" is hereby amended to read, "not exceeding \$40,000 per annum".

SEC. 18. The word "department" as used in this Act shall be construed to include independent establishments, other agencies, wholly owned Government corporations (the transactions of which corporations shall be subject to the authorizations and limitations of this Act, except that section 9 shall apply to their administrative trans-

actions only), and the government of the District of Columbia, but shall not include the Senate, House of Representatives, or office of the Architect of the Capitol, or the officers or employees thereof. The words "continental United States" as used herein shall be construed to mean the forty-eight States and the District of Columbia. The word "Government" shall be construed to include the government of the District of Columbia. The word "appropriation" shall be construed as including funds made available by legislation under section 104 of the Government Corporation Control Act, approved December 6, 1945.

SEC. 19. Sections 1, 3, 4, 5, 7, 14, and 15 of this Act shall not apply to persons whose pay and allowances are established by the Pay Readjustment Act of 1942.

SEC. 20. Sections 1 and 2 of this Act shall become effective on the first day of the third calendar month following the enactment hereof.

SEC. 21. This Act may be cited as the "Administrative Expenses Act of 1946".

SEC. 22. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries and to resident missions to international organizations for representation purposes in the promotion of official policies and programs.

SEC. 23. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign countries as the President may designate.

FOREIGN SERVICE ACT OF 1946

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TITLE IV—CATEGORIES AND SALARIES OF PERSONNEL

* * * * *

PART E—CLASSIFICATION

* * * * *

[ADMINISTRATIVE ESTABLISHMENT OF SALARY DIFFERENTIALS

[SEC. 443. The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 per centum of basic salary, for Foreign Service officers, Reserve officers, and staff officers and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary shall prepare and maintain a list of such posts.**]**

* * * * *

TITLE IX—ALLOWANCES AND BENEFITS

PART A—ALLOWANCES AND SPECIAL ALLOTMENTS

【QUARTERS, COST OF LIVING, AND REPRESENTATION ALLOWANCES

【SEC. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States—

【(1) allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Service and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

【(2) cost-of-living allowances, whenever the Secretary shall determine—

【(i) that the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Service at such post to carry on his work efficiently;

【(ii) that extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee of the Service incident to the establishment of his residence at any post of assignment abroad or at a post of assignment in the continental United States between assignments to posts abroad;

【(iii) that an allowance is necessary to assist an officer or employee of the Service who is compelled by reason of dangerous, notably unhealthful, or excessive adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment;

【(iv) that extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Service, by reason of his service abroad, in providing for adequate elementary and secondary education for his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method

of providing such education, any allowance paid to him shall be reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under section 911(9);

[(3) allowances in order to provide for the proper representation of the United States by officers or employees of the Service.

[ALLOTMENT FOR OFFICIAL RESIDENCE OF CHIEF AMERICAN REPRESENTATIVE

[SEC. 902. The Secretary may, under such regulations as he may prescribe, make an allotment of funds to any post to defray the unusual expenses incident to the operation and maintenance of official residences suitable for principal representatives of the United States at that post.

[ACCOUNTING FOR ALLOWANCES

[SEC. 903. All such allowances and allotments shall be accounted for to the Secretary in such manner and under such rules and regulations as the President may prescribe. The Secretary shall report all such expenditures annually to the Congress with the budget estimates of the Department.]

* * * * *

PART B—TRAVEL AND RELATED EXPENSES

GENERAL PROVISIONS

SEC. 911. The Secretary may, under such regulations as he shall prescribe, pay—

* * * * *

[(4) the cost of storing the furniture and household and personal effects of an officer or employee of the Service who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;]

(4) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

[(5) the cost of storing the furniture and household and personal effects of an officer or employee of the Service on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;]

(5) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service in connection

with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and, in connection with separation of an officer or employee of the Service, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.

* * * * *
[(9) the travel expenses incurred by an officer or employee of the Service who is assigned to a foreign post, in transporting dependents to and from United States ports of entry designated by the Secretary, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education.]
* * * * *

TRANSPORTATION OF [AUTOMOBILES] MOTOR VEHICLES

SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned [automobile] motor vehicle in any case [where] in which he shall determine that water, rail, or air transportation of the [automobile] motor vehicle is necessary or expedient for all or any part [or] of [all] the distance between points of origin and destination. Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Secretary in accordance with this section.

CENTRAL INTELLIGENCE AGENCY ACT OF 1949

AN ACT

To provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEFINITIONS

SECTION 1. That when used in this Act, the term—

- (a) "Agency" means the Central Intelligence Agency;
- (b) "Director" means the Director of Central Intelligence;
- (c) "Government agency" means any executive department, commission, council, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the [Government; and] *Government*.
- [(d) "Continental United States" means the States and the District of Columbia.]

* * * * *

TRAVEL, ALLOWANCES, AND RELATED EXPENSES

SEC. 4. [(a)] Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned to [permanent-duty stations outside the continental United States, its territories, and possessions] *duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia*, shall—

(1)(A) pay the travel expenses of officers and employees of the [Agency including] *Agency, including* expenses incurred while traveling pursuant to [orders issued by the Director in accordance with the provisions of section 5(a)(3) with regard to the granting of] *authorized* home leave;

(B) pay the travel expenses of members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(C) pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to his residence at time of appointment or to a point not more distant, or, upon retirement, to the place where he will reside;

[(D) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;]

(D) *pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;*

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

[(E) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;]

(E) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with the assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.

* * * * *

[(3)(A) Order to the United States or its Territories and possessions on leave provided for in 5 U.S.C. 30, 30a, 30b, or as such sections may hereafter be amended, every officer and employee of the agency who was a resident of the United States or its Territories and possessions at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter: *Provided*, That such officer or employee has accrued to his credit at the time of such order, annual leave sufficient to carry him in a pay status while in the United States for at least a thirty-day period.]

(S)(A) Order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter.

[(B) While in the continental United States on leave, the service of any officer or employee shall not be available for work or duties except in the agency or for training or for reorientation for work; and the time of such work or duty shall not be counted as leave.]

(B) While in the United States (as described in paragraph (S)(A) of this section) on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave.

[(C) Where an officer or employee on leave returns to the United States or its Territories and possessions, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States or its Territories and possessions, and such time as may be necessarily occupied in awaiting transportation.]

(C) Where an officer or employee on leave returns to the United States (as described in paragraph (3)(A) of this section), leave if absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States (as so described) and such time as may be necessarily occupied in awaiting transportation.

(4) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned [automobile] motor vehicle in any case [where] in which it shall be determined that water, rail, or air transportation of the [automobile] motor vehicle is necessary or expedient for all or any part [or] of [all] the distance between points of origin and destination, and pay the costs of such transportation. Not more than one motor vehicle of any officer or employee of the Agency may be transported under authority of this paragraph during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Director and upon a determination, in advance, by the Director that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph.

* * * * *

[(b) In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Director is authorized to grant to any officer or employee of the Agency allowances in accordance with the provisions of section 901(1) and 901(2) of the Foreign Service Act of 1946.]

SECTION 8 OF THE UNITED NATIONS PARTICIPATION ACT OF 1945, AS AMENDED

SEC. 8. There is hereby authorized to be appropriated annually to the Department of State, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the payment by the United States of its share of the expenses of the United Nations as apportioned by the General Assembly in accordance with article 17 of the Charter, and for all necessary salaries and expenses of the representatives provided for in section 2 hereof, and of their appropriate staffs, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended;¹ travel expenses without regard to the Standardized Government Travel Regulations, as amended, the

¹ Reference made to the Classification Act of 1923, as amended, is held and considered to mean the Classification Act of 1949 (see § 1106(a) of the Classification Act of 1949, 63 Stat. 977).

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

Travel Expense Act of 1949, and section 10 of the Act of March 3, 1933, as amended, and, under such rules and regulations as the Secretary of State may prescribe, travel expenses of families and transportation of effects of United States representatives and other personnel in going to and returning from their post of duty; allowances for living quarters, including heat, fuel, and light, as authorized by the Act approved June 26, 1930 (5 U.S.C. 118a); cost-of-living allowances for personnel stationed abroad under such rules and regulations as the Secretary of State may prescribe; communications services; stenographic reporting, translating, and other services, by contract; hire of passenger motor vehicles and other local transportation; rent of offices; printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); allowances and expenses as provided in section 6 of the Act of July 30, 1946 (Public Law 565, Seventy-ninth Congress), and allowances and expenses equivalent to those provided in section 901(3) of the Foreign Service Act of 1946 (Public Law 724, Seventy-ninth Congress); the lease or rental (for periods not exceeding ten years) of living quarters for the use of the representative of the United States to the United Nations referred to in paragraph (a) of section 2 hereof, the cost of installation and use of telephones in the same manner as telephone service is provided for use of the Foreign Service pursuant to the Act of August 23, 1912, as amended (31 U.S.C. 679), [and the allotment of funds, similar to the allotment authorized by section 902 of the Foreign Service Act of 1946, for unusual expenses incident to the operation and maintenance of such living quarters, to be accounted for in accordance with section 903 of said Act;] and unusual expenses similar to those authorized by section 23 of the Administrative Expenses Act of 1946, as amended by section 321 of the Overseas Differentials and Allowances Act, incident to the operation and maintenance of such living quarters; and such other expenses as may be authorized by the Secretary of State; all without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5).

SECTIONS 202 AND 203 OF THE ANNUAL AND SICK LEAVE ACT OF 1951

COVERAGE AND EXEMPTIONS

SEC. 202. (a) Except as provided in subsection (b), this title shall apply to all civilian officers and employees of the United States and of the government of the District of Columbia, including officers and employees of corporations wholly owned or controlled by the United States.

(b)(1) This title shall not apply to—

(A) teachers and librarians of the public schools of the District of Columbia;

(B) part-time officers and employees (except hourly employees in the field service of the Post Office Department) for whom there has not been established a regular tour of duty during each administrative workweek;

(C) temporary employees engaged on construction work at hourly rates;

(D) employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama;

(E) commissioned officers of the Public Health Service;

(F) commissioned officers of the Coast and Geodetic Survey;

(G) doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration;

(H) officers and employees of the Senate and House of Representatives; and

(I) officers and employees of any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests.

(2) This title, except section 203(g), shall not apply to alien employees who occupy positions outside the [several States and the District of Columbia.] *United States.*

(3) Section 204 of this title shall not apply to officers and members of the Metropolitan Police and the Fire Department of the District of Columbia.

(c)(1) This title shall not apply to the following officers in the executive branch of the Government and officers of the government of the District of Columbia, including officers of corporations wholly owned or controlled by the United States:

(A) persons appointed by the President by and with the advice and consent of the Senate, or by the President alone, whose rates of basic compensation exceed the maximum rate provided in the General Schedule of the Classification Act of 1949, as amended;

(B) persons who receive compensation in accordance with section 411 of the Foreign Service Act of 1946; and

(C) such other officers (except postmasters, United States attorneys, and United States marshals) as may be designated by the President.

No officer in the executive branch of the Government and no officer of the government of the District of Columbia, including an officer of a corporation wholly owned or controlled by the United States, to whom this title applies shall be deemed to be entitled to the compensation attached to his office solely by virtue of his status as an officer.

(2) The President, in his discretion, may authorize leaves of absence to persons who are exempted from this title pursuant to subsection (c)(1)(B) for use in the United States and its Territories and possessions. Leaves of absence authorized under this subsection shall not constitute a leave system, and no such leave of absence which is not used shall be made the basis for any lump-sum payment.

(d) *As used in this title, the term "United States" means the several States of the United States of America and the District of Columbia.*

ANNUAL LEAVE

SEC. 203. (a) Officers and employees to whom this title applies shall be entitled to annual leave with pay which shall accrue as follows—

(1) one-half day for each full biweekly pay period in the case of officers and employees with less than three years of service,

(2) three-fourths day for each full biweekly pay period (except

that the accrual for the last full biweekly pay period in the year shall be one and one-fourth days) in the case of officers and employees with three but less than fifteen years of service, and

(3) one day for each full biweekly pay period in the case of officers and employees with fifteen years or more of service.

In determining years of service for the purposes of this subsection, there shall be included all service creditable under the provisions of section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such Act and the determination of the period of service rendered may be made upon the basis of an affidavit of the employee. In the case of an officer or employee who is not paid on the basis of biweekly pay periods, the leave provided by this title shall accrue on the same basis as it would accrue if such officer or employee were paid on the basis of biweekly pay periods.

(b) Any change in the rate of accrual of annual leave by an officer or employee under the provisions of this section shall take effect as of the beginning of the pay period following the pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in which such officer or employee completes the prescribed period of service.

(c) The annual leave provided for in this section, which is not used by an officer or employee, shall accumulate for use in succeeding years until it totals not to exceed thirty days at the beginning of the first complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, occurring in any year.

(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete biweekly pay period, or corresponding *pay* period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized [to] for the following categories of employees of the Federal Government [, other than officers and employees in the Foreign Service of the United States under the Department of State, stationed outside the several States and the District of Columbia:] *stationed outside the United States:*

[(1) Persons directly recruited or transferred from the United States by the Federal Government.

[(2) Persons employed locally but (A) who were originally recruited from the United States and have been in substantially continuous employment by other Federal agencies, United States firms, interests, or organizations, international organizations in which the United States Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States, or (B) who were at the time of employment temporarily absent from the United States for purposes of travel or formal study and maintained residence in the United States during such temporary absence.

[(3) Persons who are not normally residents of the area concerned and who are discharged from the military service of the United States to accept employment with an agency of the Federal Government.]

[(1)* *Persons directly recruited or transferred by the Federal Government (A) from the United States, or (B) from the Commonwealth of Puerto*

Rico or the possessions of the United States for employment outside the area of recruitment or from which transferred.

(2) Persons employed locally but (A)(i) who were originally recruited from the United States, or from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment, (ii) who have been in substantially continuous employment by other Federal agencies, United States firms, interests or organizations, international organizations in which the United States Government participates, or foreign governments, and (iii) whose conditions of employment provide for their return transportation to the United States or the Commonwealth of Puerto Rico or the possessions of the United States, or (B)(i) who were at the time of employment temporarily absent, for the purpose of travel or formal study, from the United States, or from their respective places of residence in the Commonwealth of Puerto Rico or the possessions of the United States and (ii) who, during such temporary absence, have maintained residence in the United States or in the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.

(3) Persons who are not normally residents of the area concerned and who are discharged from service in the Armed Forces of the United States to accept employment with an agency of the Federal Government.

[(e) Where an officer or employee to whom the provisions of subsection (d) are applicable, or who is in the Foreign Service of the United States under the Department of State, and whose post of duty is outside the several States and the District of Columbia returns to any such State or the District of Columbia on leave, the leave granted pursuant to this Act shall be exclusive of the time actually and necessarily occupied in going to and from his post of duty and such time as may be necessarily occupied in awaiting sailing or flight. The provisions of this subsection shall not apply with respect to more than one period of leave in any twenty-four month period.]

(e) The leave granted pursuant to this title shall be exclusive of the time actually and necessarily occupied in going to and from the post of duty and exclusive of such time as may be necessarily occupied in awaiting transportation, in the case of an officer or employee (1) who is within the purview of subsection (d) of this section, (2) whose post of duty is outside the United States, and (3) who returns on leave to the United States, or to his place of residence, which is outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. The provisions of this subsection shall not apply to more than one period of leave in a prescribed tour of duty at a post outside the United States.

[(f) Officers and employees in the Foreign Service of the United States under the Department of State may be granted leave of absence, without regard to any other leave provided by this title, for use in the United States, its Territories or possessions, at a rate equivalent to one week for each four months of service outside the several States and the District of Columbia. Such leave may be accumulated for future use without regard to the limitation in subsection (c) but no such leave which is not used shall be made the basis for any terminal leave or lump-sum payment.]

(f) Upon completion of twenty-four months of continuous service outside the United States, officers and employees may be granted, in accordance with regulations of the President, leave of absence at a rate

not to exceed one week for each four months of such service without regard to any other leave provided by this title, for use in the United States, or, if their respective places of residence are outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. Such leave so granted may be accumulated for future use without regard to the limitation in subsection (d) of this section but no such leave shall be made the basis for any terminal leave or for any lump-sum payment.

(g) Alien employees who occupy positions outside the [several States and the District of Columbia.] United States may, in the discretion of the head of the department or agency concerned, be granted leave of absence with pay not in excess of the amount of annual and sick leave allowable under this title in the case of citizen employees.

(h) The annual leave provided for in this section, including such leave as will accrue to any officer or employee during the year, may be granted at any time during such year as the heads of the various departments and independent establishments may prescribe.

(i) Notwithstanding the provisions of subsection (a), an officer or employee shall be entitled to annual leave under this title only after having been employed currently for a continuous period of ninety days under one or more appointments without break in service. In any case in which an officer or employee completes a period of continuous employment of ninety days there shall be credited to him an amount of annual leave equal to the amount which, but for this subsection, would have accrued to him under subsection (a) during such period.

SECTIONS 2, 13, AND 14 OF THE ACT OF AUGUST 1, 1956

SEC. 2. The Secretary of State, when funds are appropriated therefor, may—

(a) provide for printing and binding outside the continental United States without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111);

[(b) pay the cost of transportation to and from a place of storage and the cost of storing the furniture and household and personal effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Secretary may prescribe;]

(c) employ aliens, by contract, for services abroad;

(d) provide for official functions and courtesies;

(e) purchase uniforms; and

(f) pay tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries in connection with Department of State operations abroad.

* * * * *

[SEC. 13. Allowances granted under section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1)), may include water, in addition to the utilities specified.

[SEC. 14. Appropriations now or hereafter made available for allowances granted under the authority in part A of title IX of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), including an allowance for water as authorized in section 13 of this Act shall be available for the payment of such allowances in advance.]

ACT OF JUNE 26, 1930

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That under such regulations as the heads of the respective departments concerned may prescribe and the President approve, civilian officers and employees of the Government having permanent station in a foreign country may be furnished, without cost to them, living quarters, including heat, fuel, and light, in Government-owned or rented buildings [and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U.S.C., title 5, sec. 70)]: Provided, That said rented quarters [or allowances in lieu thereof] may be furnished only within the limits of such appropriations as may be made therefor, which appropriations are hereby authorized: Provided further, That the provisions of this Act shall apply only to those civilian officers and employees who are citizens of the United States.

SECTION 912 OF THE INTERNAL REVENUE CODE OF 1954

[SEC. 912. EXEMPTION FOR CERTAIN ALLOWANCES.

[The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

[(1) COST-OF-LIVING ALLOWANCES.—In the case of civilian officers or employees of the Government of the United States stationed outside continental United States, amounts received as cost-of-living allowances in accordance with regulations approved by the President.

[(2) FOREIGN SERVICE ALLOWANCES.—In the case of an officer or employee of the Foreign Service of the United States, amounts received by such officer or employee as allowances or otherwise under the terms of title IX of the Foreign Service Act of 1946 (22 U.S.C. 1131-1158).]

SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

(1) FOREIGN AREAS ALLOWANCES.—*In the case of civilian officers and employees of the Government of the United States, amounts received as allowances or otherwise (but not amounts received as post differentials) under—*

(A) *title IX of the Foreign Service Act of 1946, as amended (22 U.S.C., sec. 1131 and following),*

(B) *section 4 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C., sec. 403e),*

(C) *title II of the Overseas Differentials and Allowances Act,*

or

(D) *subsection (a), (e), or (f) of the first section of the Administrative Expenses Act of 1946, as amended, or section 22 or 23 of such Act.*

(2) COST-OF-LIVING ALLOWANCES.—*In the case of civilian officers or employees of the Government of the United States stationed outside the continental United States (other than Alaska), amounts (other than amounts received under title II of the Overseas Differentials and*

Allowances Act) received as cost-of-living allowances in accordance with regulations approved by the President.

(3) *EXPENSES OF TRAVEL AND TRANSPORTATION.—In the case of civilian officers and employees of the Government of the United States, amounts received as expenses of travel and transportation, or costs of transportation provided in lieu thereof, from posts of duty outside the continental United States (other than Alaska), to and from their respective places of residence, authorized by section 7 of the Administrative Expenses Act of 1946, as amended (5 U.S.C., sec. 73b-3).*

APPENDICES

APPENDIX A

Section 220 of the Standardized Regulations (Government Civilians, Foreign Areas), issued by the Secretary of State, provides as follows:

220 TEMPORARY LODGING ALLOWANCE

221 *Description*

*221.1 *Definition*

"Temporary lodging allowance" means a living-quarters allowance (Sec. 215g) granted to an employee for the cost of lodging, heat, light, fuel (including gas and electricity), and water at temporary quarters for the employee and his family upon their first arrival at a new post.

221.2 *Scope*

Posts are grouped into 10 classes according to lodging costs, that is, the price of room and bath, including taxes, heat, and obligatory service charges, at hotels ordinarily used by Government employees at the respective posts. The price of meals is not included in the computation of this allowance. The amount paid is either the employee's actual daily expenses for allowable items or the maximum prescribed rate, whichever is less (Sec. 931).

222 *Commencement of Grant*

The grant of a temporary lodging allowance shall commence as of:

- a. The date of arrival of the employee at a new post, or the date expenditure for temporary lodging begins, if later;
- b. The date his family arrives at the post, or the date expenditure for temporary lodging begins, if later, when arrival of the employee at a new post is delayed by reason of his being ordered to report at another place for consultation or temporary detail and his family arrives at the new post before him;
- c. The effective date of transfer or the date expenditure for temporary lodging begins, whichever is later, when the employee is on detail or leave at the post to which he is transferred, the effective date of transfer being considered the date of first arrival at the new post.

*223 *Termination of Grant*

The grant of a temporary lodging allowance shall terminate as of one of the following dates, whichever is

earliest, but shall not be terminated solely by reason of the employee's leave without pay status due to personal illness or illness or death of a member of family:

- a. Three months after the date of FIRST ARRIVAL of the employee AT A NEW POST, or of a member of his family if earlier (Sec. 222b) (Example: A grant which commenced on February 13 would terminate on or before May 12.);
- b. The date payment for temporary lodging ceases;
- c. The date of occupancy of residence quarters;
- d. The date of the employee's departure, or the date of departure of his family if later, under transfer orders. Where the employee's departure for transfer precedes that of his family, the temporary lodging allowance at his previous post shall not extend beyond the date preceding the date of his arrival at his new post.
- e. The last day of his employment if the employee resigns, retires, dies, or is otherwise separated from the agency.

224 *Determination of Maximum Rates*

224.1 *Classified Posts*

The maximum rate at which a temporary lodging allowance may be granted to an employee shall be determined by the classification of his post (Sec. 920), family status (Sec. 215c) and the daily rates prescribed in section 931, except that in no case shall an employee be granted a temporary lodging allowance at a rate in excess of the aggregate amount of the per diem that would be allowable to such employee for himself and the members of his family if they were in travel status.

224.2 *Unclassified Posts*

The maximum rate at which a temporary lodging allowance may be granted an employee assigned to a post which is not classified shall be the rate to which he would be entitled under these regulations if the post were classified at the lowest classification within the country of assignment for this type of allowance (Sec. 920).

225 *Determination of Actual Rate*

*225.1 *General Rule*

The actual rate at which a temporary lodging allowance may be granted to an employee shall be the amount of his daily expenditures for the temporary lodging of himself and/or his family, or the amount of the maximum determined in accordance with section 931 of these regulations, whichever is less. In addition to the daily cost of the room, or rooms, and heat, light, fuel, and water, if charged for separately, such amount may include the daily cost of service fees and taxes imposed by the management and/or municipal or other local government. The cost of food,

beverages, or personally ordered services may not be included. Where meals and lodging are furnished at a single combined rate, the cost of lodging, plus any mandatory service fees and taxes, shall not be considered to be more than 60 percent of the total cost.

225.2 *Supporting Evidence*

Evidence of the daily cost of temporary lodging shall be a certified statement indicating the cost and certifying payment therefor.

226 *Effective Dates of Revisions of Grants*

The grant of a temporary lodging allowance shall be appropriately revised as of:

- a. The effective date of an authorized change in the classification of the post or the rate of the allowance which may be granted; or
- b. The date of a change in the family status of the employee.

227 *Payment*

A temporary lodging allowance shall be paid at daily rates multiplied by 14 to derive a bi-weekly rate.

APPENDIX B

In accordance with the intent of the committee, as set forth in the "Explanation of the Bill, as Reported" (par. (3) of sec. 211), the following are suggested matters to be considered in the preparation of administrative regulations to carry out the purpose of such paragraph (3):

The department or agency head should determine, before the granting of an initial repairs allowance, that (1) the lessor will not assume the cost of the repairs, (2) the quarters are below reasonable standards of health, safety, or comfort in the United States, and (3) no adequate rental quarters meeting such standards were known to be available locally at a rate which, when combined with estimated utility and tax costs, was within the maximum authorized allowance for the officer or employee concerned.

An initial repairs allowance, granted in appropriate case, might include payment or reimbursement of costs incurred within 3 months after completion of a rental agreement, in connection with the first residence quarters at a post, for (1) repairs required to eliminate leakage or drafts, to fortify or replace structural components, or to replace defective plumbing, wiring, heating, lighting, or other essential facilities or equipment, (2) alterations to provide improved access or ventilation and light, such as new or additional windows and doors, and (3) improvements such as required plumbing, heating, or lighting fixtures and equipment, screening, pest controls, insulation where required by extreme climate, painting where needed for hygienic reasons or in connection with authorized repairs or alterations, and other changes to make the quarters reasonably habitable.

The authority to grant initial allowances for repairs, alterations, and improvements is not intended to cover painting other than that specified above; repair, renovation, or replacement of furnishings; erection of additions to any structure or erection or removal of

garages or other outbuildings; improvement of grounds; materials or labor except as required for authorized repairs, alterations, and improvements discussed above; any repairs, alterations, or improvements above reasonable minimum standards of health and safety in the United States, as determined by the department or agency head; any cost of repair, alteration, or improvement incurred later than 3 months after completion of the rental agreement; and any repair, alteration, or improvement to other than the first residence quarters of an officer or employee at a post of duty.

The total initial repairs allowance should be the estimated cost of allowable items, not exceeding the difference between estimated quarters allowance of the officer or employee for 2 years and the maximum authorized quarters allowance for 2 years. No officer or employee should be granted more than one initial repairs allowance during a period of continuous assignment to a post.

APPENDIX C

Studies, reports, and legislation relating to allowances, benefits, and working conditions of Government employees in overseas areas

1. Senate Post Office and Civil Service Committee study conducted pursuant to section 5(b) of Public Law 201, 82d Congress, and report thereon submitted to the Vice President by Senator Olin D. Johnston under date of January 28, 1953 (committee print).
2. House Post Office and Civil Service Committee report entitled "Report of the President's Adviser on Personnel Management on Pay and Personnel Practices of Federal Employees Stationed Overseas," printed in House Report No. 1760, 83d Congress (June 7, 1954).
3. House Post Office and Civil Service Committee (Subcommittee on Civil Service Commission and Personnel Programs) overseas hearings held during the period September 22 to November 2, 1955 (84th Cong., 1st sess.) (printed).
4. House Post Office and Civil Service Committee unanimous report on "Personnel Programs and Policies of the Federal Government in Overseas Operations," printed in House Report No. 2109, 84th Congress (May 3, 1956).
5. House Post Office and Civil Service Committee (Subcommittee on Civil Service) hearings on bills to improve the administration of overseas activities of the Government of the United States, and for other purposes (H.R. 5007 and H.R. 5099) and on bills to provide for health and medical services for civilian employees in Government service overseas and their dependents, and for other purposes (H.R. 5178 and H.R. 5238) (June 10, 1959).

Legislation

Eighty-second Congress: Public Law 201, section 5(b).
Eighty-third Congress: H.R. 9767; H.R. 9768.
Eighty-fourth Congress: H.R. 12193; H.R. 12194.
Eighty-fifth Congress: H.R. 3527; H.R. 6141 (health program);
H.R. 12225 (teachers; see Public Law 86-91).
Eighty-sixth Congress: H.R. 4398 and H.R. 4690 (teachers; see
Public Law 86-91); H.R. 5007, H.R. 5099, H.R. 7758 (allowances);
H.R. 5178 and H.R. 5238 (health program).