

## GENERAL SERVICES ADMINISTRATION

**41 CFR Parts 300–3, 300–70, 302–1, 302–2, 302–3, 302–4, 302–5, 302–6, 302–7, 302–9, 302–11, 302–12, 302–15, and 302–16**

[FTR Amendment 2011–01; FTR Cases 2007–304 and 2003–309; Docket Number 2007–0002, Sequence 7]

RIN 3090–AI37

### Federal Travel Regulation; FTR Cases 2007–304 and 2003–309, Relocation Allowances

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

**ACTION:** Final rule.

**SUMMARY:** The General Services Administration (GSA), Office of Governmentwide Policy (OGP) continually reviews and adjusts policies as part of its ongoing mission to provide policy assistance to Government agencies subject to the Federal Travel Regulation (FTR). This final rule is a combination of two previous proposed rules that were published in the **Federal Register** on November 23, 2004 and August 3, 2007. The result is a unified, single final rule that addresses a wide range of relocation issues.

**DATES:** *Effective Date:* This final rule is effective August 1, 2011.

**FOR FURTHER INFORMATION CONTACT:** The General Services Administration, Regulatory Secretariat (MVCB), 1275 First Street NE., Washington, DC 20417, (202) 501–4755, for information pertaining to status or publication schedules. For clarification of content, contact Ms. Pam Silvis-Zelasko, Office of Travel, Transportation and Asset Management (MT), General Services Administration at (202) 219–7749 or e-mail at [pamela.silvis-zelasko@gsa.gov](mailto:pamela.silvis-zelasko@gsa.gov). Please cite FTR Amendment 2011–01; FTR cases 2003–309 and 2007–304.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

The GSA Office of Governmentwide Policy (OGP) routinely reviews the relocation regulations under its purview to address current Government relocation needs, to incorporate private industry policies and best practices that fit well into the Federal setting, and to adapt to changes in the marketplace.

In 2002, GSA created the Relocation Best Practices Committee (RBPC), consisting of Government and private industry relocation experts, to examine Government relocation policy. After benchmarking with the private sector

experts, the RBPC Government policy experts created a proposed rule summarizing the work of the RBPC.

The GSA then chartered the Governmentwide Relocation Advisory Board (GRAB) through the Federal Advisory Committee Act, on July 9, 2004, to allow for the use of private industry expertise in both the rulemaking process and possible legislative actions involving Government relocation policy. As a part of its wide-ranging mission, the GRAB reviewed and updated the RBPC's proposals. The resulting proposed rule, based primarily on the RBPC's recommendations, was published in the **Federal Register** on November 23, 2004 (69 FR 68111).

The GRAB submitted its comprehensive Findings and Recommendations on September 15, 2005. If fully implemented through regulation, legislation, and operations, the 100-plus recommendations of the GRAB would align Government relocation practices with private sector best practices. They also would improve the overall management of Government relocation programs and reduce costs. The GRAB Findings and Recommendations and corresponding documents may be accessed at GSA's Web site at <http://www.gsa.gov/grab>.

GSA's relocation experts analyzed the GRAB regulatory changes and developed a second proposed rule, which was published in the **Federal Register** on August 3, 2007 (72 FR 43216).

Due to the long policy-development process, GSA combined the RBPC and GRAB proposed rules into this one final rule. This final rule implements many of the changes sought by both committees and contains additional changes to the FTR.

##### B. Summary of Comments Received

GSA extends its thanks to all the interested parties that commented on the RBPC proposed rule (69 FR 68111, November 23, 2004) and the GRAB proposed rule (72 FR 43216, August 3, 2007).

In response to the RBPC proposed rule, GSA received over 100 pages of comments from 26 different entities (13 Federal agencies, 6 private industry companies, 4 individuals, 2 unions, and 1 trade association). In response to the GRAB proposed rule, GSA received comments from 9 entities (4 Federal agencies, 1 trade association, 1 provider of support and technical assistance, and 3 relocation services companies).

The comments generally were supportive of the work of the RBPC and the GRAB, although some comments

disagreed with specific aspects. All comments were carefully considered in the development of this final rule.

The discussion of comments below is arranged according to the section of the regulation affected by this final rule.

GSA has not included four issues from the proposed rules in this final rule, and the explanation of why they are not included appears at the end of this "Summary of Comments Received" section.

##### *Terms and Conditions*

This final rule adds the following definitions to section 300–3.1: Accompanied baggage, amended value sale, appraised value sale, buyer value option (BVO), and relocation services company (RSC). It also revises the definitions of non-foreign area and household goods.

The complexity of many of these terms can be confusing. Several of the comments raised this and provided suggestions in order to clarify the definitions. In particular, the definition of an amended value sale in the proposed rule insisted on a selling price higher than or equal to the appraised value offer. Several comments demonstrated that with proper use of home marketing incentive programs, the actual selling price might be lower and still acceptable to both parties. GSA agrees and changed the definition.

##### *Data Systems, Reporting, and Relocation Program Management*

The RBPC proposed rule included seven new sections for part 302–2, subpart B. Those changes would have established new agency responsibilities related to the successful management of agency relocation programs. FTR section 302–2.200 in the RBPC proposed rule also gave general guidance for relocation program management.

GSA received a wide range of comments on these proposed sections. GSA wrote this final rule in a manner that did not require inclusion of these seven sections from the RBPC proposed rule. Instead, GSA has revised part 300–70, subpart A, and added a subpart B to part 302–1.

Several comments asked GSA to clarify the terms "relocation management program," "relocation payment system," and "relocation management reporting system." In addition, many comments expressed concern about the due date for the first required reports.

In response to these comments, GSA has written three new sections and placed them in part 302–1, General Rules, rather than part 302–2. The new sections describe a comprehensive

relocation management program and urge agencies to move toward integrating all relocation processes into a single electronic environment.

Also, GSA removed the due date for agencies to report relocation data from the regulation and changed from biennial reports to annual reports. Use of a 2-year reporting period results in stale data that are less useful in policy creation. GSA will work with agencies to develop the list of data elements to be reported and to select the best startup date for annual reporting. More information on this section will be available in FTR Bulletins issued periodically by OGP and available on the Internet at <http://www.gsa.gov/ftrbulletins>.

Some comments expressed concerns that GSA was leaning towards a sole source contract with a relocation data service provider; this is not GSA's intent. GSA envisions agencies using commercial off-the-shelf software, data warehousing systems, or tools built by the agency and/or contracting to meet their needs for data management, all obtained through competition.

#### *Commuter to New Job Location via Commonly Traveled Routes*

This final rule amends sections 302-2.6 and 302-11.2 to bring the FTR into conformance with the distance test guidelines in *Internal Revenue Service Publication 521, Moving Expenses*. The distance test is met when the new official station is at least 50 miles further from the employee's current residence than the old official station is from the same residence. For example, if the old official station is 3 miles from the current residence, then the new official station must be at least 53 miles from that same residence in order to receive relocation expenses for residence transactions. The distance between the official station and residence is the shortest of the commonly traveled routes between them. The distance test does not take into consideration the location of a new residence.

#### *Reduction in Time for Relocations and Relocation Extensions*

GSA received seven comments on the RBPC proposal to reduce the time for settling relocation transactions from two years to one year. GSA received essentially the same comments from the same seven organizations on the proposal to reduce extensions from two years to one year. These proposals affect FTR sections 302-2.8 through 302-2.11, 302-2.110, 302-11.21, 302-11.22, 302-11.404, 302-11.420, 302-11.421, and 302-15.10.

Three organizations supported the proposals, with all of them indicating that the proposals should reduce outstanding obligations and ensure that transferees will move into their new positions and begin work quickly. Four organizations objected to the proposals. All that objected argued that it may be difficult for some transferees to complete their residence transactions in one year.

GSA recognizes that reducing the maximum time to one year plus a 1-year extension may be challenging for some agencies; however, GSA believes that this risk is less significant than the potential benefits. The most significant benefit is moving transferees into their new positions as quickly as possible, which is a basic objective of Federal relocation policy. Giving most transferees only one year to complete their residence transactions will assist in meeting this objective.

The other significant benefit of reducing the time limit is reducing the number of years in which an employee may incur a debt against the Government. Funds used for relocation are, in most cases, obtained from monies that were appropriated for a specific year. Allowing employees to incur debts against the Government for four years, as currently permitted by the FTR, is a challenge for Federal finance managers. One comment noted that claims for reimbursement against the Government can be made for up to six years, under Title 31 of the United States Code, Chapter 37. This six-year period is a statutory requirement, which GSA does not possess the ability to change, and will therefore remain the same.

#### *Disclosure Statements*

This final rule amends section 302-2.12, adds two new sections to part 302-2, subpart A, and amends section 302-2.100 to require disclosure statements as part of the service agreement, which will prevent duplication of funding between two agencies or a private source. Most of the comments received regarding this part of the RBPC proposed rule favored its inclusion. One comment suggested that GSA direct the agencies to add this disclosure statement to relocations that are currently underway. GSA does not want to change the premise that a relocation must follow the provisions in place at the time of initiation, so this suggestion has not been adopted.

#### *Required Counseling*

This final rule amends section 302-2.103 to require that agencies provide counseling to relocating employees. The agencies should offer

the counseling at the earliest possible time. If the agency chooses, this counseling may take place after the selection but prior to the acceptance of the job offer. This counseling is important because it can assist employees in making more informed decisions and allow them to play a more active role in their relocation. It is very important that employees understand their options when selling and/or buying a residence because of the enormous financial implications. This counseling can be provided by either the agencies or contractors.

#### *Separation Travel Timing and Extensions*

The portion of the RBPC proposed rule relating to separation travel timing and extensions for Senior Executive Service personnel did not generate any negative comments; therefore it is included with substantially the same language in this final rule. However, GSA has made minor revisions to the proposed language of the RBPC to create a more efficient solution and avoid potential confusion. These changes are found in this final rule in revised section 302-3.315.

#### *Househunting Trip (HHT) Per Diems*

This final rule amends section 302-5.13, and adds a reference to it in the current section 302-4.100, to make the standard CONUS rate the operative per diem rate for calculating actual expense househunting trips reimbursement and clarifies the availability and use of lump-sum reimbursements. The GRAB final report explains:

\* \* \*, the implementing regulations for FETRA [Federal Employee Travel Reform Act] \* \* \* created an unfortunate inconsistency between HHT and TQSE [temporary quarters subsistence expense] benefits. From that time and continuing today, the traditional method for claiming HHT expenses is linked to the locality rate (FTR Part [sic] 302-5.13 and Part [sic] 301-11.100), while the traditional method for claiming TQSE expenses is linked to the CONUS [Continental United States] rate (FTR Part [sic] 302-6.102). Not only is this inconsistent from a practical and logical point of view, it creates an unintended constraint on encouraging the use of a more cost-effective lump sum HHT reimbursement method: Why should any transferee use the lump sum benefit granting 5 days' worth of the locality rate [actually, the lump sum method uses a multiplier of 6.25 days for an employee and spouse going on the trip or a multiplier of 5 days for only one person going on the HHT], when they could use the traditional method and receive up to 10 days' [sic] worth of the locality rate? Simply saving the trouble of submitting receipts is not a sufficient motivator to forego 5 days' [sic]

worth of the locality rate. Even if transferees found that the ease of paperwork and the benefit of having their reimbursement paid up-front convinced them to use the lump sum benefit anyway, the fact that the FTR contains this inconsistency is reason enough to make the change.

This situation arose when the FTR was converted to its present plain language format. In the previous edition of the FTR, the HHT regulation mirrored the temporary quarters subsistence expense (TQSE) process, where the agency either reimbursed the employee's actual expenses for up to 120 days at the lower standard CONUS rate or calculated a lump sum reimbursement for up to 30 days, at the higher locality rate.

Transferees do actually choose the lump sum option for TQSE, but they do not tend to choose the lump sum for HHTs because the error removed the intended economic incentive. Agencies report that because of the error, the lump sum option for HHTs is underutilized, while the lump sum option for TQSE is frequently chosen.

By emulating the TQSE regulations and correcting the error that GSA made regarding the existing HHT regulation, real economic incentives will be realized that will assist employees to manage their HHTs more efficiently and economically. Additionally, this provides employees some latitude in allocating those funds to meet an employee's unique needs that may not be specifically allowed under the reimbursement method; these might include, for example, childcare or pet kenneling.

While this change reduces the HHT benefit for those selecting the actual expense option, the purpose of this change is to correct an error in the regulation and to support the use of lump sum HHT payments for this agency-optional benefit. Several agencies viewed this proposed change as a reduction of benefits and voiced their opposition. GSA believes that the correction is appropriate, because it establishes the right incentives. As a result, GSA is changing the FTR as stated in the GRAB proposed rule.

One private industry comment noted that while the use of CONUS rates for actual expense TQSE may make sense, there may be a problem when the lesser CONUS amount is given to an employee on a short duration HHT because the HHT is closer to a TDY, and it may be difficult to find long term lodging that will be less expensive. GSA's response is that the lump sum option gives the employee an incentive to make the trip quickly and efficiently, without the administrative burden of monitoring the

receipts and the higher cost of an actual expense HHT.

Two Government comments correctly noted the multiplier for a spouse and an employee on a HHT should be 1.75 and not 2. GSA agrees and is making the change.

#### *The Terms Fixed Amount/Lump Sum*

No one objected to changing the term "fixed amount" to "lump sum," because "lump sum" is a standard industry term. This change is, therefore, incorporated into this final rule as initially proposed in the RBPC proposed rule. It affects a number of sections in parts 302-5 and 302-6.

#### *Mode of Transportation for Househunting Trips*

This final rule revises section 302-5.14 in subpart A, and adds a new section to part 302-5, subpart B, to establish a threshold for determining which mode of transportation (POV or common carrier) should be authorized for househunting trips. This final rule sets a threshold of 250 miles, below which the agency normally will authorize driving a POV. Several comments on the RBPC proposed rule noted the Government cannot force an employee to drive a POV. While FTR section 302-5.14 does allow limiting transportation reimbursement to the authorized modes, including POV, this final rule recognizes exceptions and offers several examples of circumstances in which restricting an employee reimbursement to POV mileage may not be appropriate.

#### *Lump Sum Payments for TQSE*

This final rule revises part 302-6, subpart C, to encourage the use of lump sum payments for TQSE, to allow the agency to require proof that temporary quarters (TQ) were actually occupied, and to simplify the discussion of factors to consider related to lump sum TQSE.

Some comments based on the RBPC proposed rule asked GSA to require proof that the employee occupied TQ in every case. Other comments stated that the option for agencies to request proof did not need to exist at all. GSA has decided to make this proof something that an agency may choose, retaining the language from the proposed rule on this point.

Other comments asked that GSA provide the language and/or a form for the proof that the agency may require. GSA has decided to give the agencies the discretion to choose what form of proof they will accept due to the wide variation of systems and processes amongst agencies. GSA will, as always, offer its assistance to any agency that

needs it, but does not feel that a mandate would clarify this issue.

#### *Factors To Consider When Offering Lump Sum Payments*

GSA received no objections to the RBPC proposed revision to section 302-6.304, which explains the factors an agency should consider when determining whether to offer an employee a lump sum payment option for TQSE; therefore, the language in the RBPC proposed rule is retained without change.

#### *Lump Sum TQSE/Certification of TQSE Expenses*

This final rule adds new section 302-6.305 based on the RBPC proposed rule. This new section requires that agencies obtain a statement, in advance, from employees who select lump sum TQSE reimbursement. This statement will certify that TQSE expenses will be incurred in order to receive the lump sum payment. Three agencies supported the use of these certifying statements.

Three other comments centered on the difficulty in creating a distinct document for those receiving TQSE. This is not the intention of this rule. Similar to the addition of disclosure statements in section 302-2.100, the intent here is for agencies to make this statement part of the initial service agreement rather than a separate document. A lump sum program is based upon simplicity and any lump sum program should maintain this simplicity in its implementation.

Two additional comments stated that this certification is too simple a threshold to meet and that any agency program providing TQSE that is too expensive should correct their internal process without burdening the other agencies. GSA agrees that this certification does not free any agency from monitoring their TQSE program and eliminating the actual (or lump sum option) if it is abused by agency employees. GSA also believes that adding the statement to the service agreement is not a significant burden for any agency.

#### *Payment to the Employees of a TQSE Lump Sum*

New section 302-3.306 requires that a TQSE lump sum payment be made to an employee prior to occupancy of temporary quarters (TQ). The main advantage of using lump sum TQSE is that an employee will know exactly what he or she is going to receive for subsistence expenses and how long the money has to last. This removes some of the confusion inherent in actual expense TQSE. GSA received few

comments on this point, thus, the language from the RBPC proposed rule has been retained in this final rule.

#### *Definition of "18,000 Pounds Net"*

The lack of a definition for "18,000 pounds net" in section 302-7.2 has caused frequent confusion. All of the comments received in regards to this subject either favored the change in the RBPC proposed rule or asked for small revisions that GSA has adopted.

However, the RBPC proposed rule's definition of "net" was not clear as it could be interpreted to apply only to the weight of the household goods or to the difference in the weight between the unloaded weight of the truck and the loaded weight of the truck (the latter of which would include the weight of the truck, the household goods, and any necessary packing materials). GSA has chosen to establish a simple rule that allows for up to 2,000 pounds of packing materials for uncrated or van line shipments, in the newly designated section 302-7.13(a). Thus, in most circumstances, the Government will pay for the shipment of up to 18,000 net pounds of uncrated household goods plus up to 2,000 pounds of packing materials. The employee will be responsible for the cost of packing and shipping anything over the 18,000 pounds net weight allowance.

GSA recognizes that some agencies impose lower weight limits in special circumstances, especially when transferring employees into government-furnished quarters in CONUS or OCONUS. This final rule explicitly allows agencies to impose lower limits as appropriate, including lower limits on the weight of packing materials.

#### *Rules for Shipping Professional Books, Papers, and Equipment (PBP&E)*

Since there were no comments about the proposed changes to sections 302-7.4 and § 302-7.5, relating to PBP&E, the language in the RBPC proposed rule is retained without change.

#### *Authorized Origin and Destination Points for the Transportation of Household Goods (HHG) and PBP&E*

DoD requested that section 302-7.6 further define the authorized origin and destination points for household goods shipments. GSA agreed with the request and has refined the chart in this section. This action is not a change in policy but rather a clarification of practices that already exist.

#### *Where Household Goods (HHG) May Be Temporarily Stored*

The RBPC proposed rule clarified where HHG may be temporarily stored

(section 302-7.8). This received favorable comments. Two comments suggested further modifications that would have made storage at the destination the primary choice. GSA has chosen to keep this new paragraph as simple as possible, so it remains unchanged from the proposed rule.

#### *Limit on Time HHG Can Be Temporarily Stored*

GSA received 23 comments on both proposed rules to change the current section 302-7.8, which would reduce the overall time allowed for temporary storage.

GSA received 19 comments on the RBPC proposal to reduce the overall time allowed for temporary storage from 90 days plus a possible 90-day extension to 60 days plus a possible 90-day extension. The proposed rule also stated: "The number of days authorized for HHG storage must coincide with the number of days authorized for TQSE." The summary of comments received on the RBPC proposal is as follows:

- Three comments favored the changes as proposed.
  - Four comments asked that GSA reverse the pairing, so that the initial period would be 90 days and the possible extension would be 60 days.
  - One comment said that 150 days overall can be too short for moves involving OCONUS locations. GSA resolved this by making the 60-day period apply only to CONUS to CONUS moves.
  - Seven comments said that the number of TQSE days should not be linked to the number of temporary storage days.
  - Four comments opposed the change (with three of them stating that TQSE days and temporary storage days should not be linked).
- The GRAB proposed an even greater reduction than the RBPC proposal. GSA received four comments on the GRAB proposal to reduce the overall time allowed for temporary storage to 60 days plus a possible 30-day extension.
- One comment suggested changing the time allowed for temporary storage to 45 days with a possible 45-day extension.
  - One comment suggested linking the temporary storage days to TQSE.
  - One comment said the number of days allowed should be left at ninety days, but also requested the ability to grant a waiver for an indefinite time period in extenuating circumstances.
  - One comment rejected the changes.
- In summary, most comments opposed linking the number of storage days and the number of TQSE days, and most comments expressly or implicitly agreed

with reducing the total number of days allowed to 150. GSA agrees that the two should not be linked, but GSA disagrees with the comments that suggested reversing the pairing. GSA believes that the initial 60-day period sends the right message to the employee regarding the intended purpose of temporary storage, while the longer possible extension allows the agency to deal with a wider variety of special circumstances.

Thus, this final rule does not link HHG storage days to TQSE days. This final rule allows an initial period of 60 days with a possible extension of up to 90 days for CONUS to CONUS moves, and it keeps the 90 days with a possible 90-day extension for moves that have an authorized origin and/or destination that is OCONUS.

The changes above appear in the newly redesignated sections 302-7.9 and 302-7.10.

#### *Method of Shipment for HHG, PBP&E, and Temporary Storage*

GSA received no relevant comment on the RBPC proposal to clarify section 302-7.16, so this final rule includes the text as initially proposed.

#### *Responsibility for Payment of Weight Additives*

The RBPC proposed rule, regarding the newly redesignated section 302-7.21, detailed the employee's responsibility for payment of weight additives. Weight additives are additional costs charged by the carrier for oversized or bulky items. These costs are generally assessed by the carrier in terms of additional weight to the shipment, so that the number of pounds charged often exceeds the actual weight of the item(s). The existing § 302-7.20 conflicts with a General Services Board of Contract Appeals (GSBCA) decision (GSBCA 16131-RELO, July 21, 2003).

This final rule adopts the rationale of the GSBCA decision, thereby not making the transferee responsible for the extra weight caused by using weight additives. Since weight additives are not related to the true weight of the items shipped, they should not be included in the statutorily based 18,000 pound net limit.

One comment stated that, as written, the proposed rule held the employee responsible for both the extra weight and the preparation charges. This final rule makes the employee responsible for the cost of building any special packing or crating, as well as the cost of any special handling that the weight additive items require; at the same time, only their actual weight will be considered in determining whether the employee has exceeded the 18,000

pounds net weight allowance for shipping purposes.

#### *Unaccompanied Air Baggage (UAB)*

The sections of the RBPC proposed rule that dealt with Unaccompanied Air Baggage (UAB) received generally positive comments. One Government comment did ask for authority to set individual agency limits on the weight of UAB. GSA did not include a provision to do this as UAB is already limited by being included in the overall HHG weight limit. This final rule redesignates part 302–7, subpart D, as subpart E (Agency Responsibilities) and adds a new subpart D (Baggage Allowance) to incorporate policies for including UAB as part of, and not in addition to, the HHG weight allowance for moves from a CONUS (Continental United States) location to an OCONUS (Other than Continental United States) location, OCONUS to OCONUS, and OCONUS to CONUS. GSA has addressed the remaining comments by making a number of minor textual additions.

The RBPC proposed rule would have added UAB to the discussion of PBP&E in section 302–7.4. In this final rule, GSA has chosen not to discuss UAB in this section, because PBP&E is not part of the 18,000 pounds net weight allowance for HHG (though it is often included in the HHG shipment), while UAB is always part of the allowance. GSA prefers, for regulatory consistency, to keep all of the material related to UAB together, in part 302–7, subpart D.

It is important for agencies to note that any UAB reduces the amount of HHG that can be shipped, because the statutes that govern the FTR do not provide for a separate allowance for UAB above and beyond the 18,000 pounds net HHG allowance. Another important point to note is that the FTR does not permit UAB for domestic (CONUS to CONUS) relocations.

Two comments stated a preference for using the lower UAB weights that the Department of State (DoS) prescribes for members of the Foreign Service, as opposed to those provided for uniformed personnel by the DoD in the Joint Federal Travel Regulations (DoS allows 250 pounds for the employee, while DoD allows 350 pounds). In section 302–7.302, GSA is adopting the more generous DoD UAB weights, choosing to provide more flexibility for agencies despite the small added cost. Agencies subject to the FTR that are authorized to use and have incorporated the DoS Foreign Affairs Manual (FAM) into their internal agency regulations for overseas travel will continue to receive lesser amounts of UAB in conformity

with the FAM. However, under the FAM, UAB is not part of the 18,000 pounds net weight allowance. The FAM limits would continue in use unless these agencies choose to change their internal policies to adopt the FTR UAB limits.

#### *Arranging and Paying for Transportation of HHG and UAB*

This final rule adds a new section, section 302–7.405, which regulates the arranging and paying for transportation of HHG and UAB. As several comments noted, the RBPC proposed rule included an erroneous table for constructing the cost of this transportation. This final rule replaces this table with a simple formula.

#### *Number of POVs That May Be Transported Within CONUS at Government Expense*

This final rule amends section 302–9.302, and adds a new section to part 302–9, subpart F, to limit the number of POVs that may be transported within CONUS at Government expense to two. The current limit of one POV for the transportation, at Government expense, for OCONUS remains unchanged.

Two commenters on the RBPC proposed rule stated that agencies should be able to make a decision to ship more than two POVs on a case by case basis. GSA, the RBPC, and two other comments believe the proposed limit of two POVs for CONUS relocations is a reasonable requirement to add to the regulation. A limit is necessary, and two was the consensus of the agencies involved in the RBPC.

GSA received strong negative comments on the proposed rule provision in sections 302–9.301, 302–9.504, and 302–9.505, that a POV shipped must have a value larger than the shipping cost. Instead, this final rule requires an agency to consider whether the POV is in operating order and is legally titled and tagged prior to authorizing transportation of the POV.

#### *The Phrase “With Appropriate Supporting Documentation Provided by You”*

The RBPC proposed rule replaced the introductory paragraph in section 302–11.200 to re-emphasize that residence transaction costs may not exceed those customarily charged in the locality where the residence is located. One comment suggested that the burden of proof be placed on the employee; this has always been true, but the FTR did not say this explicitly.

Therefore, this final rule adds the phrase “with appropriate supporting documentation provided by you,” to

clarify that the burden of proof regarding a customary expense in a geographic area rests with the employee. This change to section 302–11.200 strengthens the wording to ensure that the employee understands that he/she must provide appropriate supporting documentation to support a claim for reimbursement.

A single comment was made against this provision, preferring language stating, “as long as the employee is acting within reason, the transaction fees should be reimbursed.” This is a weaker standard, which GSA chose not to adopt because it does not provide a uniformly clear standard to measure against.

#### *Homesale Counseling*

The GRAB proposed rule, in part 302–12, included a requirement that employees enrolled in a homesale program agree to participate in counseling.

One problem inherent in homesale programs is the complexity of the various programs. Direct reimbursement, by contrast, can be much easier to understand. If savings are going to be realized through the use of homesale programs, employees must understand the options thoroughly, preferably before making the decision to participate in a homesale program. The best way to enhance the employee’s understanding is by having the employee participate in counseling that details the process and options. The counseling helps the agency, the relocation services company (RSC), and the employee, because it clarifies what the employee must do to participate in the program and what options the employee should consider while selling his or her home. The agency has a responsibility to monitor these counseling sessions and to ensure that the materials, and the way that they are presented, are fair and useful to the employee.

The comments on the GRAB proposed rule were generally supportive of mandatory counseling. However, several of the comments asked that the regulation require that the counseling sessions occur before the employee is permitted to list their residence for sale. GSA recognizes this as a best practice that fits many situations, and agencies are welcome to include this requirement as a provision in contracts with RSCs. However, GSA believes that mandating this on a Governmentwide basis would be inappropriate, because there are many situations in which such a requirement may impose a serious burden on the agency and/or the employee.

One comment to this provision asked what venues would be permissible for the required counseling. GSA has addressed this in section 302–12.3 by stating that counseling may be provided by the agency or the RSC and may occur electronically or in person.

#### *Evaluation of Relocation Programs*

This final rule requires that agencies regularly examine and evaluate the objectives and relative costs of their relocation benefits and management processes to determine whether or not a comprehensive homesale program should be part of their relocation programs, under section 302–12.105.

The Government is significantly different from private industry in their contracts with RSCs for administering homesale programs. The Government cannot legally assume title to the property from a homesale program, while most private sector companies using RSCs do assume title. Therefore, the RSCs charge the Government more than they charge private companies, to cover the additional risk that the RSC assumes for each property. This incorrectly gives the appearance to agencies that RSC-managed homesale programs are more expensive than direct reimbursement for homesale costs. Other factors also make the homesale programs appear more expensive to Government managers. As the GRAB final report states:

Most agencies that do not offer their transferees access to a home-sale program base the decision on a perception that reimbursements of direct home-sale costs are lower than the fees generally associated with a RMC [RSC] home-sale program (e.g., up to 10% of the home-sale price for direct reimbursement versus up to 23.5% for a RMC [RSC] home-sale program under [GSA Multiple Awards] Schedule 48). This perception ignores the fact that direct reimbursements are taxable income to the employee and, therefore, typically require added reimbursement from the Government to cover that tax liability, whereas properly structured RMC-[RSC-] assisted homesales are not.

The GRAB recommended that the FTR make it mandatory that each agency implement a comprehensive homesale program, including amended, appraised, and BVO sales. GSA strongly supports homesale programs but does not have statutory authority to mandate that all agencies implement a homesale program. Under current statutes, the employee always has the right to demand direct reimbursement; that is, the employee cannot be forced into a homesale program.

This final rule includes a number of provisions to address homesale

programs, as discussed further throughout this final rule section.

#### *Agency Flexibility in Broker Selection*

The GRAB and various commenters to the GRAB proposed rule recommended that GSA mandate transferees to use brokers provided by the RSC. While GSA recognizes that many private sector companies include this requirement in their contracts, GSA does not believe that it should be mandatory across the Government. GSA has, therefore, in section 302–12.111, given agencies express permission to include this provision in their contracts without a Governmentwide mandate.

*One comment asked:* “Who provides the broker?” GSA does not believe it is appropriate to mandate an answer to this question. Rather, this should be either a contractual issue between the agency and the relocation services provider, or it should be left to the determination of the employee.

#### *Agency Flexibility in Mortgage Service Provider Selection*

The GRAB and various commenters to the GRAB proposed rule recommended that GSA mandate transferees to use mortgage service providers provided by the RSC. This is prohibited under the Real Estate Procedures Settlement Act (RESPA), and this regulation cites that prohibition in the new section 302–12.112.

#### *Potential Tax Issues From a Homesale Program*

A comment accurately stated that the tax implications of the BVO option are still unclear. GSA is carefully monitoring the ongoing discussions between the RSCs and the IRS. GSA believes that a properly structured homesale program will typically relieve the employee and agency of taxes on the homesale costs, thereby reducing the overall cost to the agency that is funding the relocation. This rule also reminds the agencies, in section 302–12.113(a), to consider the tax implications in structuring their homesale programs.

#### *Direct Payment of Property Management Service Fees*

Only one comment to the GRAB proposed rule even noted the revision of section 302–15.70, which clarifies the allowance for direct payment of property management service fees to the Government employee, so this change is included in this final rule as initially proposed.

#### *Allow Broader Use of the Miscellaneous Expense Allowance (MEA) Under Part 302–16*

The FTR currently limits the MEA to expenses related to discontinuing or establishing a residence. The GRAB recommended that this limitation be removed, so that the transferee would be able to use the MEA to cover any expenses that emerge in a relocation, whether they are prior to or after the residence transactions. Quoting from the GRAB final report:

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

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

A standard payment for private industry is based on a month’s salary, capped at a specified amount, such as \$7,500. At this time, the MEA payment to Federal employees remains statutorily limited to one or two week’s salary for a GS–13 step 10, depending upon family status. GSA has addressed this limitation in a legislative proposal that would give the Administrator authority to set an appropriate rate without the current rigid restrictions.

GSA received no negative comments on the above proposal in the GRAB proposed rule and several positive comments from both industry and Federal agencies. Thus, GSA is adopting this proposal as final.

This final rule incorporates one additional change in the MEA section, using the phrase “and similar items” when referring to a list of various items. The General Services Board of Contract Appeals (now the Civilian Board of Contract Appeals) prefers this language to the phrase “including but not limited to” that the FTR currently uses.

#### **Proposed Change Handled by Another Final Rule and Not Addressed in This Rule: Mileage Reimbursement Rate**

The POV mileage rate for PCS travel in section 302–4.300, which GSA initially included in the RBPC proposed

rule, was addressed in final rules published in the **Federal Register** on June 27, 2007 (72 FR 35187) and on December 11, 2007 (72 FR 70234).

### **Proposed Changes That Were Not Retained in the Final Rule**

#### *Days Allowed for HHT*

The RBPC proposed rule would have reduced the maximum number of days allowed for a househunting trip under section 302–5.11 from 10 to 8. Based on the large number of negative comments GSA received on this provision and the internal discussions that followed, GSA agrees not to reduce the number of days for a househunting trip from 10 to 8 in this final rule. This section remains as currently stated in the regulation.

#### *Actual Reimbursement for TQSE*

In the RBPC proposed rule, GSA failed to highlight an important proposed change in the actual expenses reimbursement for TQSE. Specifically, GSA proposed to reduce the TQSE reimbursement in part 302–6, subpart B, for any authorized period in TQ above 30 days but failed to include this change in the list of proposed changes in the Preamble. This was an inadvertent error which unfortunately deprived GSA of most input.

In response to this error, one comment stated: “This is a major change and was easily left out of the background, if not intentionally hidden.” This was not GSA’s intention.

In the current economic environment, GSA believes that reducing the TQSE reimbursement will not assist agencies or employees because of the slow sales of residential properties. Scenarios where Government employees must be in TQ for longer than 30 days have become much more common. For these reasons, GSA is not at present reducing the TQSE reimbursement after 30 days.

#### *Clarifying the Difference Between Mandatory and Discretionary Relocation Allowances*

The GRAB wanted to ensure that the FTR highlights which relocation benefits are mandatory and which are discretionary. To do this, the GRAB identified two errors that needed to be corrected in the tables outlining benefits. GSA received no comments on this item in the GRAB proposed rule. However, in the time since publication of the proposed rule, GSA has discovered at least three additional errors in the tables. Therefore, to ensure that the tables and associated regulatory language are entirely correct, and to expedite these critical components of the FTR, GSA will address these items in their own separate rule.

#### *Calculating Constructive Cost*

GSA received several comments about RBPC proposed Appendix A to part 302–7. The proposed Appendix attempted to clarify the calculation of constructive cost. The comments all indicated the proposed new language would have created more confusion than clarity. GSA agrees; therefore, the RBPC proposed Appendix A to part 302–7 was not adopted.

#### *Conditions Required for Use of a RSC*

The GRAB proposed rule at section 302–12.3 contained several conditions to which an employee must agree before entering a contract with a RSC. These conditions are no longer considered best practices and therefore are not included in the new section 302–12.3 of this final rule. GSA also wishes to maintain flexibility during rapidly changing economic conditions; therefore, GSA will issue further guidance about RSCs by publishing a bulletin available at <http://www.gsa.gov/ftrbulletins>.

#### *Standard RSC Contract Provisions*

The GRAB proposed rule said that agencies should give first consideration to BVO and second consideration to amended value sales. GSA’s review of the comments and internal discussions of this provision led to a different approach which, GSA believes, will accomplish the same objective in a more straightforward manner. Examples of RSC contract provisions are contained in new section 302–12.4, but these provisions are not to be considered mandatory. New section 302–12.4 also provides agencies with the flexibility to choose the RSC contract provisions that will work best for their own individual home sale programs. GSA will issue periodic bulletins at a later date, available at <http://www.gsa.gov/ftrbulletins>, to further address standard RSC contract provisions and to create a template for agencies to use when developing home sale programs. GSA is addressing this issue in bulletins instead of in this final rule to ensure that agencies can maintain maximum flexibility.

#### *Agency Flexibilities in Listing Periods and Percentage of Guaranteed Offer*

GSA initially intended to set the contract timeframes in a template that would have been included in the question and answer portion of the FTR. Because of changing market conditions, and several comments from the GRAB proposed rule noting different percentages and time periods, both higher and lower, it seems appropriate for GSA to avoid overly rigid rules. Instead, GSA has chosen to include this

type of information in future FTR Bulletins and/or handbooks.

### **Issues Mentioned in Comments But Not Addressed in This Final Rule**

Many of the remaining comments received are clearly of interest, but GSA is unable at this time to incorporate them into this final rule because of lack of legislative authority or because the comment was outside the scope of either proposed rule.

#### *Change the Storage Allowance for the Temporary Storage of Household Goods by Amending Section 302–7.8*

In a comment to the GRAB proposed rule, one Government agency asked GSA to extend the 180-day limit for temporary storage. GSA accommodated this request by granting the agency a waiver addressing the specific situation involved with this need.

#### *Prepayment Fees on Residence Transactions*

One comment to the RBPC proposed rule suggested that part 302–11, subpart C, be amended to cap prepayment penalty fees on residence transactions to three months interest on the loan balance, not to exceed \$6,000 per property. This was a growing problem when interest rates were rising and it continues to be a problem for transferees selling refinanced properties. GSA is reviewing the issue, but will need more information about its prevalence before including this in the FTR.

#### *Single Employees*

One comment to the RBPC proposed rule pointed out that the proposed rule failed to address many issues that single employees face in transferring because, unlike a family, they do not have multiple TQSE payments to equal a larger sum. This issue is especially prevalent in transfers to higher cost areas. However, no statutory authority exists to treat single employees differently than married employees.

#### *Relocation Income Tax Allowance (RITA) Calculation and Reimbursement*

One comment to the RBPC proposed rule addressed a specific case concerning an agency’s failure to perform the RITA calculation and reimbursement in an appropriate timeframe. The RITA section is currently being rewritten, and the team is aware of this comment.

#### *Cost Analysis*

Two comments to the RBPC proposed rule expressed concern because the proposed rule did not include a cost analysis of the regulatory changes. The

purpose of the new sections in sections 302–1.100 through 302–1.110 is to make it more likely that the agency reporting requirements in part 300–70 result in delivery of relocation cost data to GSA and the Office of Management and Budget (OMB) in a timely, accurate, and useful manner. The agency reporting requirements are currently mandatory, but not widely followed. As soon as agencies begin providing accurate and complete data, GSA and OMB will have the facts and figures to build stronger arguments to support regulatory and legislative changes based upon cost analyses. In the current Government environment, reliable data regarding relocations is not available without laborious voucher-by-voucher examination.

One of the two comments on cost analysis specifically compared the IRS-driven private industry practice to the Government relocation regulation practice, and stated that the RBPC and GRAB proposed rules would not reduce regulatory burden. It is GSA's and GRAB's position that in private industry, relocation is driven as much by human resource considerations as by IRS considerations, if not more so. Many private industry relocation packages, especially for individuals in executive or senior management positions, are tailored to the position. This is much less true in the Government, where as a general rule, one-size-fits-all regardless of position. By emulating private industry practices to the extent that makes legal and fiscal sense, the Government makes it easier to include a relocation package as part of a comprehensive human capital planning and retention program, as envisioned by the GRAB.

#### Spousal Employment Assistance

One comment on the RBPC proposed rule suggested that a provision for spousal employment assistance be included in the FTR. The comment said: "This assistance is needed most urgently by the military spouses who relocate more frequently than private sector spouses." Spousal employment assistance would require a legislative change before GSA could incorporate it into the FTR. Therefore, GSA has included a provision to cover spousal employment assistance in its legislative proposal.

#### C. Changes to Current FTR

This final rule—

- Corrects the authority citation for part 300–3;
- Amends section 300–3.1 to add the terms and definitions for "Accompanied Baggage," "Amended Value Sale,"

"Appraised Value Sale," "Buyer Value Option," and "Relocation Services Company," and revises the definitions for "Non-foreign area," and "Household Goods (HHG)," to include "Unaccompanied Air Baggage (UAB)";

- Corrects the authority citation for part 300–70;
- Revises sections 300–70.1 and 300–70.2 to incorporate data collection requirements;
- Adds a subpart B to part 302–1, containing three sections that describe a comprehensive relocation management system, urge agencies to adopt a comprehensive relocation management system, and reiterate the requirement to report to GSA on relocation activities. This final rule changes the report's frequency to annually but removes the specific due date for those reports from the FTR. Instead it specifies that the due date will be provided in future FTR Bulletins;
- Amends section 302–2.6 to follow the distance guidelines stated in *Internal Revenue Service Publication 521, Moving Expenses*, by requiring that the commute to the employee's new job location from his/her old residence increase by at least 50 miles, via the shortest commonly traveled routes, to be eligible for relocation benefits;
- Amends sections 302–2.8, 302–2.9, 302–2.10, 302–2.11, and 302–2.110 to reduce the length of time to complete a relocation from two years to one year;
- Further amends sections 302–2.11 and 302–2.110 to reduce the length of time for relocation extensions from two years to one year;
- Amends section 302–2.12 to include the duplicate disclosure statement as part of the service agreement;
- Adds new sections 302–2.20 and 302–2.21 to part 302–2, subpart A, redesignates current sections 302–2.20 through 302–2.22 as sections 302–2.22 through 302–2.24, and amends section 302–2.100, to require disclosure statements so that one Federal agency will not pay for relocation expenses that are being paid for by another Government agency or private source;
- Amends section 302–2.103 by adding paragraph (e) to require counseling of every relocating employee and to recommend counseling before an employee accepts a new position that requires relocation;
- Revises section 302–3.315 relating to separation travel timing and extensions;
- Amends section 302–4.100 to include a reference to section 302–5.13;
- Corrects the authority citation for 41 CFR part 302–5;

- Amends the chart in section 302–5.13 to make the standard CONUS rate the operative per diem rate for calculating actual expense househunting trip per diems, and clarifies the availability and use of lump sum reimbursements;

- Amends sections 302–5.15, 302–5.16, 302–5.18, 302–5.101, 302–5.103 (to be redesignated as sections 302–5.104, 302–6.11, 302–6.12, 302–6.301 and 302–6.304, respectively) by replacing the term "fixed amount" with the term "lump sum" and by other administrative changes, where applicable;
- Revises section 302–5.14, redesignates current section 302–5.103 as section 302–5.104, and inserts a new section 302–5.103, all to establish a 250-mile threshold for determining the mode of transportation (POV or common carrier) to be authorized for a househunting trip;
- Corrects the authority citation for 41 CFR part 302–6;
- Amends section 302–6.15 to correct citations;
- Amends part 302–6, subpart C, including adding a new section, to encourage the use of lump sum payments because of the administrative efficiency, as well as the potential for cost savings;
- Amends section 302–6.304 by revising it to explain the factors to consider when deciding to offer lump sum payments;
- Redesignates section 302–6.305 as section 302–6.307 and adds two new sections to subpart D, regarding TQSE payments, requiring employees who select lump sum TQSE reimbursement to certify that TQSE expenses will be incurred, and ensuring that payment to the employee of TQSE lump sum will be made prior to occupancy of TQ;
- Corrects the authority citation for part 302–7;
- Amends section 302–7.1(d) by adding citations;
- Revises section 302–7.2 and the table in newly designated 302–7.13 to clarify that the definition of 18,000 pounds net weight allowance for household goods does not include packing materials for uncrated and van line shipments;
- Replaces sections 302–7.4 and 302–7.5 to clarify who pays for shipping professional books, papers and equipment (PBP&E) and to explain what happens when a HHG shipment includes PBP&E and exceeds the net weight allowance;
- Replaces the current section 302–7.6 with a new section 302–7.6, which more clearly delineates authorized origin and destination points for HHG;

- Adds a new section 302–7.8 to clarify where HHG may be temporarily stored and redesignates sections 302–7.8 through 302–7.20 as sections 302–7.9 through 7.21;

- Amends the redesignated sections 302–7.9 and 302–7.10 to limit HHG storage to 60 days with a possible 90-day extension for CONUS to CONUS moves and keeps the 90 days with a possible 90-day extension for moves that have an authorized non-CONUS origin and/or destination;

- Revises newly designated section 302–7.16 to clarify the selection of the method of shipment as designated by agency;

- Revises newly designated section 302–7.21 to specify the responsibility for payment of weight additives;

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

- Amends the newly designated section 302–7.400 to revise three of the existing conditions and add three new conditions that agencies must consider in their policies and procedures;

- Revises the newly designated sections 302–7.401 through 302–7.403 to conform with other changes to part 302–7;

- Corrects the authority citation for part 302–9;

- Adds a new section 302–7.405, which provides guidance on arranging and paying for the transportation of HHG and unaccompanied air baggage;

- Amends sections 302–9.11, 302–9.140, and 302–9.170 to correct citations;

- Adds two additional conditions to section 302–9.301 that agencies must consider before authorizing transportation of a privately owned vehicle (POV) within CONUS, to ensure that agencies are not domestically transporting a POV unless it is in operating order and legally titled and tagged for driving;

- Amends section 302–9.302 to establish a limit for the number of POV's that may be transported within CONUS at Government expense at two;

- Redesignates current sections 302–9.501 through 302–9.505 as sections 302–9.502 through 302–9.506 and adds a new section 302–9.501 to incorporate the limit of 2 POVs shipped at Government expense;

- Revises the newly designated sections 302–9.505 and 302–9.506 to ensure that agencies are not domestically transporting a POV unless it is in operating order and legally titled

and tagged for driving and to limit agency shipment of a POV to a distance of 600 miles or more;

- Revises section 302–11.2 and adds the requirement of agencies to follow the distance test specified in section 302–2.6;

- Revises section 302–11.21 to reduce the time limit for settlement of residence transactions from two years to one year;

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

- Amends section 302–11.200 by revising the introductory paragraph to clarify that reimbursement of residence transaction expenses is limited to amounts customarily charged where the residences are located with the requirement that the employee provide appropriate supporting documentation;

- Revises section 302–11.404 to reduce the time limit for settlement of residence transactions from two years to one year;

- Revises section 302–11.420 to reduce the time limit for extensions for settlement of residence transactions from two years to one year;

- Revises section 302–11.421 to reduce the time limit for extensions for settlement of residence transactions from two years to one year;

- Amends part 302–12, subpart A, to establish a requirement for counseling all employees who participate in homesale programs, to update the conditions under which an employee may use the agency's relocation service company contract, and to provide examples of contract terms the employee may be required to agree to;

- Amends part 302–12, subpart B to require that agencies examine and evaluate the objectives and relative costs of their relocation benefits and management processes to determine whether they should have a comprehensive homesale program, and to list the policies and procedures that an agency must have as part of their comprehensive homesale program;

- Corrects the authority citation for part 302–15;

- Revises section 302–15.2 to correct a grammatical error;
- Revises section 302–15.10 to reduce the time limit for agency payment of property management services from two years with the possibility of a 2-year extension to one year with the possibility of a 1-year extension;

- Revises section 302–15.70 to allow for direct payment of property management service fees to the relocating Government employee, when appropriate;

- Amends authority citation for section 302–16; and

- Amends sections 302–16.1 and 302–16.2 by switching the order of the two sections to make a better logical point and by removing the connection between the miscellaneous expense allowance and the establishment and discontinuance of a residence.

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

#### D. Executive Order 12866

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

#### E. Regulatory Flexibility Act

This final rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because the revisions are not considered substantive. This final rule is also exempt from the Regulatory Flexibility Act per 5 U.S.C. 553 (a)(2) because it applies to agency management or personnel. However, this final rule is being published to provide transparency in the promulgation of Federal policies.

#### F. Paperwork Reduction Act

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

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

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

**List of Subjects in 41 CFR Parts 300–3, 300–70, 302–1, 302–2, 302–3, 302–4, 302–5, 302–6, 302–7, 302–9, 302–11, 302–12, 302–15, and 302–16**

Government employees, Travel and relocation allowances.

Dated: January 28, 2011.

**Martha Johnson,**

*Administrator of General Services.*

For the reasons set forth in the preamble, under 5 U.S.C. 5701–5738, GSA amends 41 CFR parts 300–3, 300–70, 302–1, 302–2, 302–3, 302–4, 302–5, 302–6, 302–7, 302–9, 302–11, 301–12, 302–15, and 302–16 as set forth below:

### **PART 300–3—GLOSSARY OF TERMS**

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

**Authority:** 5 U.S.C. 5707; 40 U.S.C. 121(c); 49 U.S.C. 40118; 5 U.S.C. 5738; 5 U.S.C. 5741–5742; 20 U.S.C. 905(a); 31 U.S.C. 1353; E.O. 11609, as amended, 3 CFR, 1971–1975 Comp., p. 586, Office of Management and Budget Circular No. A–126, revised May 22, 1992.

■ 2. Amend § 300–3.1 by—

■ a. Adding, in alphabetical order, the definitions “Accompanied baggage,” “Amended value sale,” “Appraised value sale,” “Buyer value option (BVO),” and “Relocation service company (RSC);”

■ b. Adding paragraph (1)(vii) to the definition of “Household Goods (HHG);” and

■ c. Revising the definition “Non-foreign area.”

The added and revised text reads as follows:

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

*Accompanied baggage*—Government property and personal property of the traveler necessary for official travel.

\* \* \* \* \*

*Amended value sale*—Type of home sale transaction that occurs when the relocating employee receives a bona fide offer from a qualified buyer before the employee has accepted an appraised value offer from the relocation services company (RSC). The RSC amends its offer to match the outside sale price. An amended value sale is different from an amended from zero sale because an amended value sale occurs after an appraised value offer while an amended from zero sale occurs before an appraised value offer.

*Appraised value sale*—Type of home sale transaction that occurs when the relocating employee accepts the offer from the RSC to buy the employee’s home based upon the average of a specific number of appraisals conducted by designated certified appraisers.

\* \* \* \* \*

*Buyer value option (BVO)*—Type of home sale program with procedures the same as the amended value program, except that the RSC does not initially

appraise the employee’s home or make a guaranteed buy-out offer. The buy-out offer from the contractor is based on a bona fide offer received by the employee from a qualified buyer after marketing by the employee. Once a bona fide offer is received by the employee, the contractor offers to buy the home from the employee at a price based on the outside sale price.

\* \* \* \* \*

*Household Goods (HHG)*—

(1) \* \* \*

(vii) *Unaccompanied Air Baggage (UAB)*—Unaccompanied air baggage includes personal items and equipment (e.g., pots, pans, light housekeeping items, collapsible items such as cribs, playpens, and baby carriages, and other articles required for the care of the family) that may be shipped by air in accordance with Chapter 302 of this Subtitle. Household items (i.e., refrigerators, washing machines, and other major appliances or furniture) are not eligible as UAB.

\* \* \* \* \*

*Non-foreign area*—The states of Alaska and Hawaii, the Commonwealths of Puerto Rico and the Northern Mariana Islands, Guam, the U.S. Virgin Islands, and the territories and possessions of the United States (excludes the former Trust Territories of the Pacific Islands, which are considered foreign areas for the purposes of the FTR).

\* \* \* \* \*

*Relocation service company (RSC)*—A third-party supplier under contract with an agency to assist a transferred employee in relocating to the new official station. Services may include: Homesale programs, home inspection, home marketing assistance, home finding assistance, property management services, shipment and storage of household goods, voucher review and payment, relocation counseling, and similar items.

\* \* \* \* \*

### **PART 300–70—AGENCY REPORTING REQUIREMENTS**

■ 3. The authority citation for 41 CFR part 300–70 is revised to read as follows:

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

■ 4. Revise §§ 300–70.1 and 300–70.2 to read as follows:

#### **§ 300–70.1 What are the requirements for reporting payments for employee travel and relocation?**

Agencies (as defined in § 301–1.1 of this subtitle) that spent more than \$5 million on travel and transportation payments, including relocation, during the fiscal year immediately preceding the survey year must report such total agency payments annually, as described in this part:

(a) Specific information on reporting payments for temporary duty travel are in this subpart.

(b) Specific information on reporting payments for employee relocation are in part 302–1 of this subtitle.

#### **§ 300–70.2 What information must we report, and when must we report it?**

GSA provides the list of data elements, the report formats, and the due dates in a series of FTR Bulletins. GSA coordinates these FTR Bulletins with the affected agencies and updates them as necessary. FTR Bulletins are available through: <http://www.gsa.gov/fttr>.

### **PART 302–1—GENERAL RULES**

■ 5. The authority citation for 41 CFR part 302–1 continues to read as follows:

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

■ 6. Add subpart B to part 302–1 to read as follows:

#### **Subpart B—Requirement to Report Agency Data for Employee Relocation**

Sec.

302–1.100 What is a comprehensive, automated relocation management system?

302–1.101 What actions are agencies expected to take concerning the comprehensive, automated relocation management system?

302–1.102 Are agencies required to report their employee relocation activities to GSA?

#### **Subpart B—Requirement to Report Agency Data for Employee Relocation**

##### **§ 302–1.100 What is a comprehensive, automated relocation management system?**

A comprehensive, automated relocation management system is a system that integrates into a single, electronic environment, information related to all aspects of employee relocation, including these and similar items:

- (a) Authorizations;
- (b) Reimbursements to employees and service providers;
- (c) Househunting trips;
- (d) Travel to the new permanent duty station;
- (e) Temporary quarters;

- (f) Transportation and storage of property;
- (g) Residence transactions;
- (h) Use of relocation services companies;
- (i) Property management services;
- (j) Miscellaneous expenses;
- (k) Relocation income taxes and allowances;
- (l) Appropriate electronic connections to agency payment and finance processes for all of the above; and
- (m) Standard and unique reports for use by agency relocation managers, agency executives, GSA, and others as needed.

**§ 302-1.101 What actions are agencies expected to take concerning the comprehensive, automated relocation management system?**

Agencies should work toward unifying all aspects of relocation into a comprehensive, automated relocation management system.

**§ 302-1.102 Are agencies required to report their employee relocation activities to GSA?**

Yes, every agency that spends more than \$5 million a year on travel and transportation payments, including relocation, during the fiscal year immediately preceding the survey year, must annually report their employee relocation activities to GSA. GSA works with the agencies to develop and refine the data elements, report format, and due dates for these reports. GSA publishes these specific requirements in a series of FTR Bulletins.

**PART 302-2—EMPLOYEE ELIGIBILITY REQUIREMENTS**

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

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

- 8. Revise § 302-2.6 to read as follows:

**§ 302-2.6 May I be reimbursed for relocation expenses if I relocate to a new official station that does not meet the 50-mile distance test?**

Generally no; you may not be reimbursed for relocation expenses if you relocate to a new official station that does not meet the 50-mile distance test.

(a) The distance test is met when the new official station is at least 50 miles further from the employee's current residence than the old official station is from the same residence. For example, if the old official station is 3 miles from the current residence, then the new official station must be at least 53 miles from that same residence in order to receive relocation expenses for residence transactions. The distance

between the official station and residence is the shortest of the commonly traveled routes between them. The distance test does not take into consideration the location of a new residence. This follows the distance guidelines found in *Internal Revenue Service Publication 521, Moving Expenses*.

(b) The head of your agency or designee may authorize an exception to the 50-mile threshold on a case-by-case basis when he/she determines that it is in the best interest of the Government. However, the agency cannot waive the applicability of the IRC; that is, all reimbursed expenses would be taxable income to you, and the agency would have to reimburse those taxes.

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

**§ 302-2.8 [Amended]**

- 9. Amend § 302-2.8 by removing the words "two years" and adding the words "one year" in its place.

**§ 302-2.9 [Amended]**

- 10. Amend § 302-2.9 by removing "2-year" and adding "1-year" in its place.

**§ 302-2.10 [Amended]**

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

**§ 302-2.11 [Amended]**

- 12. Amend § 302-2.11 by—
  - a. Removing "2-year" in both the heading and the text and adding "1-year" in its place; and
  - b. Removing "2 additional years" and adding the words "one additional year" in its place.

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

**Service Agreement and Disclosure Statement**

- 14. Amend § 302-2.12 by adding a sentence at the end of the paragraph to read as follows:

**§ 302-2.12 What is a service agreement?**

\* \* \* A service agreement must also include the duplicate reimbursement disclosure statement specified in §§ 302-2.20, 302-2.21, and 302-2.100(g).

**§§ 302-2.20, 302-2.21, 302-2.22 [Redesignated as §§ 302-2.22, 302-2.23, 302-2.24]**

- 15. Redesignate §§ 302-2.20, 302-2.21, and 302-2.22 as §§ 302-2.22, 302-2.23, and 302-2.24, respectively.

- 16. Move the undesignated center heading "Advancement of Funds" to precede the newly designated § 302-2.22.

- 17. Add new §§ 302-2.20 and 302-2.21, to read as follows:

**§ 302-2.20 What is a duplicate reimbursement disclosure statement?**

A duplicate reimbursement disclosure statement is a written statement signed by you and submitted to your agency. It states that you and/or your immediate family have not accepted, and will not accept, duplicate reimbursement for relocation expenses. Furthermore, it states that, to the best of your knowledge, no third party has accepted duplicate reimbursement for your relocation expenses. The duplicate reimbursement disclosure statement must be incorporated into your service agreement.

**§ 302-2.21 Must I sign a duplicate reimbursement disclosure statement?**

Yes, you must sign a duplicate reimbursement disclosure statement to receive any relocation benefits.

- 18. Amend § 302-2.100 by—
  - a. Removing the word "and" at the end of paragraph (e);
  - b. Removing the period at the end of paragraph (f) and adding "; and" in its place; and
  - c. Adding paragraph (g) to read as follows:

**§ 302-2.100 What internal policies must we establish before authorizing a relocation allowance?**

\* \* \* \* \*

(g) How you will ensure that all relocating employees sign a duplicate reimbursement disclosure statement, which is to be incorporated into their relocation service agreements (*see* § 302-2.21).

**§ 302-2.103 [Amended]**

- 19. Amend § 302-2.103 by—
  - a. Removing the word "and" at the end of paragraph (c);
  - b. Removing the period at the end of paragraph (d) and adding "; and" in its place; and
  - c. Adding paragraph (e) to read as follows:

**§ 302-2.103 How must we administer the authorization for relocation of an employee?**

\* \* \* \* \*

(e) Provide counseling about relocation benefits to all relocating employees. In addition, you should offer counseling as early as possible during the relocation process and you should consider offering counseling to

employees who are contemplating acceptance of a job that would require them to relocate.

**§ 302-2.110 [Amended]**

■ 20. Amend § 302-2.110 by removing “2-year” both times it appears in the introductory text and adding “1-year” in its place.

**PART 302-3—RELOCATION ALLOWANCE BY SPECIFIC TYPE**

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

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

■ 22. Revise § 302-3.315 to read as follows:

**§ 302-3.315 May I be granted an extension to the time limit for beginning my separation travel?**

Yes, your agency may grant you or your immediate family member(s) (in case of your death) an extension to the time limit for beginning your separation travel, for up to two years from your effective date of separation or death, if death occurs before separation.

**PART 302-4—ALLOWANCES FOR SUBSISTENCE AND TRANSPORTATION**

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

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

■ 24. Amend § 302-4.100 by removing “§ 302-4.202” and adding “§§ 302-4.202 and 302-5.13” in its place.

**PART 302-5—ALLOWANCE FOR HOUSEHUNTING TRIP EXPENSES**

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

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, as amended, 3 CFR, 1971-1975 Comp., p. 586.

■ 26. Amend § 302-5.13 by revising the table to read as follows:

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

\* \* \* \* \*

For	You are reimbursed
You and/or your spouse's transportation expenses.	Your actual transportation costs.
You and/or your spouse's subsistence expenses.	One of the following two: (a) A per diem allowance at the standard CONUS rate ( <i>see http://www.gsa.gov/perdiem</i> ), for you and/or your spouse if you travel separately, or if you both travel together, the standard CONUS rate multiplied by 1.75), for the 10 days or less that your agency authorizes for you; or (b) Only if offered by your agency and chosen by you, a lump sum, as follows: (1) If you perform a househunting trip and your spouse does not, or if your spouse performs a househunting trip and you do not, multiply the applicable locality per diem rate by 5.00 ( <i>see http://www.gsa.gov/perdiem</i> ). (2) If you and your spouse both perform a househunting trip, together or separately, multiply the applicable locality per diem rate by 6.25 ( <i>see http://www.gsa.gov/perdiem</i> ).

■ 27. Revise § 302-5.14 to read as follows:

**§ 302-5.14 What transportation expenses will my agency pay?**

(a) Your agency will authorize you to travel by any transportation mode(s) (e.g., common carrier or POV) that it determines to be advantageous to the Government. Your agency will pay for your transportation expenses by the authorized mode(s). If you travel by one or more mode(s) other than the one(s) authorized by your agency, your agency will pay your transportation expenses up to the constructive cost of transportation by the authorized mode(s). For trips of less than 250 miles, your agency will authorize travel by POV, unless there are reasons for not using a POV that are acceptable to the agency (e.g., traveler is physically impaired, does not own or lease a POV, has only one POV that is used for family transportation, or the POV is not roadworthy for such a trip). POV mileage reimbursement will be in accordance with § 302-4.300 of this chapter.

(b) Unless the agency performs a written cost comparison that demonstrates cost savings, only

common carrier may be authorized for trips with a distance of 250 miles or more.

**§ 302-5.15 [Amended]**

■ 28. Amend § 302-5.15 by removing the words “fixed amount” and adding the words “lump sum” in its place.

**§ 302-5.16 [Amended]**

■ 29. Amend § 302-5.16 by—  
■ a. Removing “§ 302-2.20” and adding “§§ 302-2.22, 302-2.23, and 302-2.24” in its place; and  
■ b. Removing the words “fixed amount” and adding the words “lump sum” in its place.

**§ 302-5.18 [Amended]**

■ 30. Amend § 302-5.18 by—  
■ a. Removing the words “fixed amount” from the section heading and adding the words “lump sum” in its place; and  
■ b. Removing the word “fixed” and adding the words “lump sum” in its place.

**§ 302-5.101 [Amended]**

■ 31. Amend § 302-5.101, paragraph (c), by removing the words “fixed amount” and adding the words “lump sum” in its place.

**§ 302-5.103 [Redesignated as § 302-5.104]**

■ 32. Redesignate § 302-5.103 as § 302-5.104.

■ 33. Add a new § 302-5.103 to read as follows:

**§ 302-5.103 What modes of transportation may we authorize for a househunting trip?**

(a) When the new official station is less than 250 miles from the old official station, the required mode of transportation is POV, unless there are reasons for not using a POV that are acceptable to the you (e.g., traveler is physically impaired, does not own or lease a POV, has only one POV which is used for family transportation, or the POV is not roadworthy for such a trip). Reimbursement for POV mileage is at the rate prescribed in § 302-4.300 of this subchapter.

(b) When the new official station is 250 miles or more from the old official station, the preferred mode of transportation is common carrier. However, you may authorize the use of POV for a househunting trip longer than 250 miles, provided you complete a written cost comparison in accordance with § 302-5.14(b).

**§ 302–5.104 [Amended]**

■ 34. Amend the newly redesignated § 302–5.104 by removing the words “Fixed amount” and adding the words “Lump sum” in their place in paragraph (a); and by removing the words “fixed amount” and adding the words “lump sum” in their place each time it appears.

**PART 302–6—ALLOWANCE FOR TEMPORARY QUARTERS SUBSISTENCE EXPENSES [AMENDED]**

■ 35. The authority citation for 41 CFR part 302–6 is revised to read as follows:

**Authority:** 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, as amended, 3 CFR, 1971–1975 Comp., p. 586.

**§ 302–6.11 [Amended]**

■ 36A. Amend § 302–6.11 by removing the words “fixed amount” and adding the words “lump sum” in their place.

**§ 302–6.12 [Amended]**

■ 36B. Amend § 302–6.12 by removing the words “fixed amount” and adding the words “lump sum” in its place.

**§ 302–6.15 [Amended]**

■ 37. Amend § 302–6.15 by removing “§ 302–2.20” and adding “§§ 302–2.22, 302–2.23, and 302–2.24” in its place.

■ 38. Revise subpart C to read as follows:

**Subpart C—Lump Sum Payment**

Sec.

302–6.200 What am I paid under the TQSE lump sum payment method?

302–6.201 How do I determine the amount of my TQSE lump sum payment?

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

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

302–6.204 Am I required to file a voucher after occupying temporary quarters if I selected the TQSE lump sum payment?

**Subpart C—Lump Sum Payment****§ 302–6.200 What am I paid under the TQSE lump sum payment method?**

If your agency offers, and you select the lump sum TQSE payment, you are paid a lump sum for each day authorized up to 30 days. The maximum number of days that may be used for the TQSE lump sum calculation is 30; no extensions are allowed under the lump sum payment method.

**§ 302–6.201 How do I determine the amount of my TQSE lump sum payment?**

(a) For yourself, multiply the number of days your agency authorizes TQSE by

.75 times the maximum per diem rate (that is, lodging plus meals and incidental expenses) prescribed by § 301–11.6 of this subtitle for the locality at the old or new official station or combination thereof, wherever TQ will be occupied. Please note that for non-foreign OCONUS, the Department of Defense Per Diem, Travel and Transportation Allowances Committee establishes the per diem rate, and for foreign OCONUS, the Department of State establishes the per diem rates.

(b) For each member of your immediate family, multiply the same number of days by .25 times the same per diem rate, as described in paragraph (a) of this section.

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

**§ 302–6.202 Will I receive additional TQSE reimbursement if my TQSE lump sum payment is not adequate to cover my actual TQSE?**

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

**§ 302–6.203 May I retain any balance left over from my TQSE lump sum payment if such payment is more than adequate?**

Yes, if your lump sum TQSE payment is more than adequate to cover your actual TQSE expenses, any balance belongs to you. (*E.g.*, if your agency authorizes and you accept a lump sum payment for 15 days of TQSE and you vacate TQ after 10 days for any reason, you would retain the remaining balance for the 5 days of TQSE not incurred).

**§ 302–6.204 Am I required to file a voucher after occupying temporary quarters if I selected the TQSE lump sum payment?**

No, you are not required to file a voucher after occupying temporary quarters if you have selected the lump sum payment. The intent of the lump sum payment is to simplify the process and eliminate the need for filing a voucher. However, your agency may require that you sign a voucher or other document before they pay your lump sum TQSE to you, and your agency may at any time request proof that you actually occupied TQ, even if not for the full length of time on which the lump sum calculation was based. In the absence of sufficient proof of TQSE occupancy, your agency may demand repayment of the TQSE lump sum payment in accordance with § 302–6.305.

**§ 302–6.301 [Amended]**

■ 39. Amend § 302–6.301, paragraph (c), by removing the words “fixed amount”

and adding the words “lump sum” in its place.

■ 40. Revise § 302–6.304 to read as follows:

**§ 302–6.304 What factors should we consider in determining whether to offer an employee a lump sum payment option for TQSE?**

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

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

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

(c) *Treatment of employee.* The employee is allowed to choose between actual TQSE reimbursement and the lump sum TQSE payment when you offer the lump sum payment method. You therefore should weigh employee morale and productivity considerations against actual cost considerations in determining which method to offer.

**§ 302–6.305 [Redesignated as § 302–6.307]**

■ 41. Redesignate § 302–6.305 as § 302–6.307.

■ 42. Add new §§ 302–6.305 and 302–6.306 to read as follows:

**§ 302–6.305 Must we require transferees to sign a statement that TQSE will be incurred?**

Yes, transferees electing the TQSE lump sum payment option must sign a statement, which should be included as part of the service agreement, asserting that they will occupy TQ and will incur TQSE. If no TQSE are incurred, the transferee must return all monies advanced for the lump sum TQSE payment to the agency.

**§ 302–6.306 When must we make the lump sum TQSE payment to the transferee?**

You must pay the transferee the lump sum TQSE payment prior to the occupancy of TQ. You should make the lump sum TQSE payment as close as is reasonably possible to the time that the transferee will begin occupancy of TQ.

**PART 302-7—TRANSPORTATION AND TEMPORARY STORAGE OF HOUSEHOLD GOODS, PROFESSIONAL BOOKS, PAPERS, AND EQUIPMENT, AND BAGGAGE ALLOWANCE [AMENDED]**

■ 43. The authority citation for 41 CFR part 302-7 is revised to read as follows:

**Authority:** 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, as amended, 3 CFR, 1971-1975 Comp., p. 586.

**§ 302-7.1 [Amended]**

■ 44. Amend § 302-7.1, paragraph (d), by removing “§ 302-3.304” and adding “§§ 302-3.304 through 302-3.315” in its place.

■ 45. Revise § 302-7.2 to read as follows:

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

(a) The maximum weight allowance of HHG that may be shipped or stored at Government expense is 18,000 pounds net weight. For uncrated or van line shipments, a 2,000 pound allowance is added to the 18,000 pounds net weight allowance to cover packing materials for the shipment. In no case may a shipment weigh over 20,000 gross pounds (the 18,000 pounds net weight of the uncrated HHG plus the 2,000 pound allowance for packing materials). The relocating employee is responsible for reimbursing the Government for all costs incurred if the shipment is overweight. For determining the weight of crated shipments, containerized shipments, and constructive weight for

other types of household good shipments, please *see* the chart in § 302-7.13.

(b) An agency may establish a lower net weight allowance and a lower allowance for packing materials in special circumstances, such as transferring an employee into government-furnished quarters.

■ 46. Revise §§ 302-7.4, 302-7.5, and 302-7.6 to read as follows:

**§ 302-7.4 Who pays for shipping professional books, papers, and equipment (PBP&E)?**

The agency may pay for shipping PBP&E as a discretionary item. When authorized, shipping PBP&E is considered an administrative cost to the agency. However, for ease of administration in calculating this allowance, PBP&E should be included as part of the HHG shipment, if possible. That is, if the net weight of the HHG plus the PBP&E is less than 18,000 pounds, the agency should ship the items together and pay for the HHG shipment in one payment.

**§ 302-7.5 What happens if the HHG shipment includes PBP&E, and it might exceed, or did exceed, the 18,000 pounds net weight allowance?**

(a) Separate the PBP&E and have the HHG carrier estimate the weight of the PBP&E before the HHG shipment is picked up. Subtract 110 percent of the estimated PBP&E weight (to adjust for packing materials) from the estimated gross weight as shown on the shipping documents (*i.e.*, net weight minus the PBP&E minus 10 percent of the PBP&E). If the result is more than the 18,000

pounds net weight allowance, then the shipment exceeds the net weight allowance.

(b) If you did not discover that the HHG shipment exceeded the net weight allowance in advance, and if you did not weigh or estimate the PBP&E before shipping it, then weigh the PBP&E before it is delivered. Determine if the shipment exceeds the net weight allowance by applying the formula in paragraph (a) of this section.

(c) If the calculation in paragraph (a) of this section shows that the shipment does not exceed the net weight allowance, then the agency may transport and pay for shipping the PBP&E plus packing materials with the household goods.

(d) However, if the calculation in paragraph (a) of this section shows that the shipment may exceed the net weight allowance, and if the employee was authorized PBP&E, then the employee must pay for shipping all weight that exceeds the net weight allowance for their HHG, minus the PBP&E and packing materials for both. The agency may then pay for shipping the PBP&E as an administrative expense.

(e) The agency may require reasonable documentation of the items requesting to be shipped as PBP&E and the weight of the PBP&E.

**§ 302-7.6 What are the authorized origin and destination points for the transportation of HHG and PBP&E?**

The authorized origin and destination points for the transportation of HHG and PBP&E vary by category of employee and are listed in the following table:

TRANSPORTATION OF HHG AND PBP&E

Category of employee	Authorized origin/destination
(a) Employee transferred between official stations .....	Between the old and new official stations (including to/from extended storage location when authorized).
(b) New appointee .....	From place of actual residence to new official station (including to location of extended storage when authorized).
(c) Employee returning from outside CONUS assignment for separation from Government service.	Last official station and extended storage location, when authorized, to place of actual residence.
(d) Employee authorized separation travel at Government expense to actual residence but retiring at the OCONUS official station or an alternate location.	From any location, including actual residence and extended storage location to any other location (including the OCONUS official station), not to exceed the constructive transportation cost from the official station and extended storage location (respectively) to the actual residence.
(e) SES last move home benefits .....	From the last official station and extended storage location, when authorized, to the place of selection.
(f) Temporary change of official station (TCS) .....	From the current official station to the TCS location and return (includes to and from extended storage location when authorized).

**§§ 302–7.8 through 302–7.20**  
**[Redesignated as §§ 302–7.9 through 302–7.21]**

■ 47. Redesignate §§ 302–7.8 through 302–7.20 as §§ 302–7.9 through 302–7.21, respectively.

■ 48. Add a new § 302–7.8 to read as follows:

**§ 302–7.8 At what location can CONUS-to-CONUS or OCONUS-to-CONUS HHG shipments be temporarily stored?**

Your HHG may be placed in temporary storage at origin, in transit, at destination, or any combination thereof upon agency approval.

■ 49. Revise newly redesignated § 302–7.9 and § 302–7.10 to read as follows:

**§ 302–7.9 What are the time limits for the temporary storage of authorized HHG shipments?**

(a) *For CONUS to CONUS shipments.* The initial period of temporary storage at Government expense may not exceed 60 days. You may request additional time, up to a maximum of 90 days, and you must make such a request prior to the expiration of the original 60 days. This extension must be approved by the agency official designated for such requests. Under no circumstances may temporary storage at Government expense for CONUS to CONUS shipments exceed a total of 150 days.

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

**§ 302–7.10 What are the reasons that would justify the additional storage beyond the initial 60 days CONUS and 90 days OCONUS limits?**

Reasons for justifying temporary storage beyond the initial limit include, but are not limited to:

(a) An intervening temporary duty or long-term training assignment;

(b) Non-availability of suitable housing;

(c) Completion of residence under construction;

(d) Serious illness of employee or illness or death of a dependent; or

(e) Strikes, acts of God, or other circumstances beyond the control of the employee.

**§ 302–7.13 [Amended]**

■ 50. Amend newly designated § 302–7.13, in the second column of the table, by revising the first entry (opposite entry (a) in the first column), to read “An allowance of up to 2,000 pounds, exclusive of the 18,000 pounds net weight of HHG shipment, is used for the packing weight covering barrels, boxes, cartons, and similar material but does not include pads, chains, dollies and other equipment to load and secure the shipment.”

■ 51. Revise newly redesignated § 302–7.16 to read as follows:

**§ 302–7.16 Must I use the methods selected by my agency for transportation and temporary storage of my HHG and PBP&E?**

No, you do not have to use the method selected (*see* § 302–7.401) by your agency for transportation and temporary storage of your HHG and PBP&E. You may pursue other methods; however, your reimbursement is limited to the actual cost incurred, not to exceed what the Government would have incurred under the method selected by your agency.

■ 52. Revise newly redesignated § 302–7.21 to read as follows:

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

(a) No, you will not be responsible for the shipping charges that result from a weight additive so long as the actual weight of your HHG without the additive does not exceed the 18,000 pound net weight allowance for relocation. However you are responsible for any amount your HHG exceeds the 18,000 pound net weight allowance prior to the addition of the weight additive (*e.g.*, when a weight additive of 700 pounds is imposed by a HHG carrier for a 65-pound canoe and the total net weight of the HHG, including the weight additive, is 18,765 pounds, you are only responsible for the 65 pounds actually added by the canoe).

(b) You are also responsible for the cost of special packing, crating, and handling of the weight additive items, if any. *See* § 302–7.200 on how charges are paid and who makes the shipping arrangements.

**Subpart D [Redesignated as Subpart E]**

■ 53. Redesignate subpart D consisting of §§ 302–7.300 through 302–7.304 as new subpart E consisting of §§ 302–7.400 through 302–7.404.

■ 54. Add a new subpart D consisting of §§ 302–7.300 through 302–7.305 to read as follows:

**Subpart D—Baggage Allowance**

Sec.

302–7.300 When may I be authorized an unaccompanied air baggage (UAB) shipment?

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

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

302–7.303 When may my agency authorize the shipment of UAB by expedited means?

302–7.304 Who makes arrangements for transporting my UAB?

302–7.305 When must my agency ship my UAB?

**Subpart D—Baggage Allowance**

**§ 302–7.300 When may I be authorized an unaccompanied air baggage (UAB) shipment?**

UAB is used in connection with permanent change of station OCONUS, renewal agreement travel, and temporary change of station. You may be authorized a UAB shipment prior to transferring from a CONUS location to an OCONUS location, between OCONUS locations, or from an OCONUS location to a CONUS location. UAB for CONUS to CONUS shipments is not allowed under the FTR.

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

No, for all shipments made under the authority of the FTR, the UAB shipment is part of, not in addition to, the 18,000 pounds net weight allowance for HHG.

**§ 302–7.302 What is the maximum weight allowance for a UAB shipment?**

The maximum weight allowance your agency may grant for a UAB shipment is—

(a) Up to 350 pounds actual weight (including the weight of the luggage or packing material) for the employee and each immediate family member 12 years of age and over; or

(b) Up to 175 pounds actual weight (including the weight of the luggage or packing material) for each immediate family member under 12 years of age.

**§ 302–7.303 When may my agency authorize the shipment of UAB by expedited means?**

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

(a) Shipment by a lower cost mode cannot deliver the items being shipped by the time they will be needed by the employee and/or the employee's immediate family; or

(b) You certify that expedited shipment of your UAB is necessary to carry out your assigned duties; or

(c) Your agency determines that an expedited shipment is necessary to prevent undue hardship to you and members of your immediate family.

**§ 302-7.304 Who makes arrangements for transporting my UAB?**

Your agency or your agency's designee should arrange for the transport of your UAB. In limited situations, the agency may ask the employee to make the arrangements for a UAB shipment.

**§ 302-7.305 When must my agency ship my UAB?**

Your agency must ship your UAB in time to ensure that your shipment arrives by the time you (and/or your family) report to your new official station. Arrangements should begin prior to your and/or your family's departure to your new official station.

■ 55. Revise newly designated subpart E to read as follows:

**Subpart E—Agency Responsibilities**

Sec.

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

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

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

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

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

302-7.405 How must we arrange and pay for transportation of HHG and UAB, if we have authorized actual expense for transportation?

**Subpart E—Agency Responsibilities**

**Note to Subpart E:** Use of pronouns “we,” “you,” and their variants throughout this Subpart refers to the agency.

**§ 302-7.400 What policies and procedures must we establish for this subpart?**

You must establish policies and procedures as required for this subpart, including who will:

(a) Administer your household goods program;

(b) Authorize commuted rate or actual expense for transportation and payment for HHG, PBP&E, and temporary storage;

(c) Authorize PBP&E to be transported as an agency administrative expense in accordance with FTR guidelines (usually the authorizing official for

PBP&E will be at the employee's new official station);

(d) Authorize an employee to ship UAB;

(e) Collect any excess costs or charges;

(f) Advise the employee on the Government's liability for any personal property damage or loss claims (*See* 31 U.S.C. 3721, *et seq.*);

(g) Ensure that international HHG shipments by water are made on ships registered under the laws of the United States whenever such ships are available (*see* The Cargo Preference Act of 1904 (10 U.S.C. 2631) and The Cargo Preference Act of 1954 (46 U.S.C. 55302));

(h) Authorize temporary storage in excess of the initial 60-day limit for CONUS shipments or 90-day limit for OCONUS shipments; and

(i) Ensure pre-payment audits are completed.

**§ 302-7.401 What method of transportation and payment should we authorize for shipment and temporary storage of HHG?**

There are two methods of arranging and paying for shipment of HHG and providing for temporary storage: actual expense and commuted rate. You must authorize actual expense or commuted rate, depending on which is less costly to the Government. You must then specify the selected method on the relocation travel authorization.

(a) *Actual expense method.* Under the actual expense method, the Government assumes the responsibility for arranging and paying for the actual expenses of all aspects of shipping the employee's HHG, including PBP&E, if any. These expenses may include but are not limited to: Packing/unpacking, crating/uncrating, pickup/delivery, weighing, line-haul, drayage, and temporary storage. This method is used for all shipments to/from/between OCONUS, and within CONUS where deemed economical to the Government.

(b) *Commutated rate system.*

(1) Under the commuted rate system, the employee assumes total responsibility for arranging and paying for the expenses of all aspects of shipping the employee's HHG, including PBP&E, if any. These expenses may include but are not limited to: Packing/unpacking, crating/uncrating, pickup/delivery, weighing, line-haul, drayage, and temporary storage. This method is used only for shipments within CONUS, and only where it is less costly to the Government than actual expense. The employee may arrange for shipment with a commercial HHG carrier or may rent self-drive equipment for a do-it-yourself move.

(2) The commuted rate is calculated based on published HHG tariffs applied to the actual weight of the goods being shipped (subject also to the weight limitation in §§ 302-7.2 through 302-7.5).

(3) If a PBP&E shipment causes the weight of a shipment under the commuted rate method to exceed the 18,000 pounds net weight allowance for HHG, then the actual cost of shipping that excess weight attributed to the PBP&E may be paid as an administrative expense of the agency. In this case, all related transportation arrangements (*e.g.*, packing/unpacking, crating/uncrating, pickup/delivery, weighing, temporary storage, etc.) associated with shipping this excess weight will be handled and paid for by the agency (*see* § 302-7.5 for the process of determining what will be paid for by the agency).

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

(a) You should authorize the actual expense method for shipping an employee's PBP&E only when the weight of the PBP&E causes the employee's shipment to exceed the maximum 18,000 pounds net HHG weight limitation and in accordance with § 302-7.403. Preferably, PBP&E should be identified and weighed prior to shipment, so the weight can easily be deducted from the 18,000 pounds net weight allowance. In cases where the weight of the PBP&E causes the shipment to exceed the 18,000 pounds net weight allowance for HHG, the PBP&E shipment may be paid for as an administrative expense by you, provided you authorized PBP&E.

(b) You should authorize the actual expense method for shipping an employee's UAB. UAB should be identified, weighed, and shipped prior to shipment of HHG. In cases where the weight of the UAB causes the shipment to exceed the 18,000 pounds net weight allowance for HHG, the cost of the excess weight is the responsibility of the employee. Under the actual expense method of shipment, you are responsible for paying the bill of lading in full and then collecting any excess cost from the employee.

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

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

(a) The authorizing official has certified that the PBP&E is necessary for performance of the employee's duties at the new duty station;

(b) The authorizing official has certified that, if these items were not transported, the same or similar items would have to be obtained at Government expense for the employee's use at the new official station;

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

(d) If you have requested it, the employee has provided reasonable documentation of the items requesting to be shipped as PBP&E and the weight of the PBP&E for review by the authorizing official (who is usually an official at the employee's new official station).

**Note to § 302-7.403:** PBP&E transported as an agency administrative expense to an OCONUS location may be returned to CONUS as an agency administrative expense for an employee separating from Government service or returning to the actual place of residence and continuing in Government service.

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

Yes, separate weight certificates are required when the PBP&E and its packing allowance pushes the shipment over the net weight allowance. Otherwise, for administrative efficiency, the HHG shipment should be billed and paid for as a single shipment. If separate weight certificates are required, then the weight of PBP&E and the administrative appropriation chargeable must be listed as separate items on the bill of lading or other shipping document.

**§ 302-7.405 How must we arrange and pay for transportation of HHG and UAB, if we have authorized actual expense for transportation?**

When arranging transportation of HHG and UAB under the actual expense method, you should:

(a) Determine the constructive cost of transporting the HHG plus the UAB, as follows:

(1) Compute the cost of transporting the HHG (not including the UAB) in one lot, by the most economical means; be sure to include the cost of packing and unpacking.

(2) Compute the cost of transporting the UAB.

(3) If the HHG, including the UAB, exceeds the 18,000 pounds net weight allowance, then compute the cost of transporting only the net weight allowance as one shipment; again, be sure to include the cost of packing and unpacking.

(4) The constructive cost is either that described in paragraph (a)(3) of this section or the sum of paragraphs (a)(1) and (a)(2) of this section, depending on whether the weight of the HHG, including the UAB, exceeds the net weight allowance.

(b) Limit the employee's HHG plus UAB transportation payment to the constructive cost as described in paragraph (a)(4) of this section, so long as it is equal to or less than the 18,000 pound net limit of this Chapter;

(c) Make arrangements for transporting the employee's HHG and UAB under two separate bills of lading, with direct payment by the agency for both; and

(d) Advise employees of this relocation entitlement limitation and its potential to result in out-of-pocket expenses to the employee. That is, advise employees that they will have to use their personal funds to pay for transporting HHG (including UAB) in excess of 18,000 pounds net weight allowance.

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

■ 56. The authority citation for 41 CFR part 302-9 is revised to read as follows:

**Authority:** 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, as amended, 3 CFR, 1971-1975 Comp., p. 586.

**§ 302-9.11 [Amended]**

■ 57. Amend § 302-9.11 by removing “§ 302-2.20” and adding “§ 302-2.22” in its place.

**§ 302-9.140 [Amended]**

■ 58. Amend § 302-9.140, paragraph (a), by removing “§ 302-9.503” and adding “§ 302-9.504” in its place.

**§ 302-9.170 [Amended]**

■ 59. Amend § 302-9.170, paragraph (d), by removing “302-9.503” and adding “§ 302-9.504” in its place.

■ 60. Amend § 302-9.301 by—

■ a. Removing the word “and” at the end of paragraph (b);

■ b. Removing the period at the end of paragraph (c) and adding “;” in its place; and

■ c. Adding paragraphs (d) and (e) to read as follows:

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

\* \* \* \* \*

(d) Your agency determines that the POV is in operating order and legally titled and tagged for driving; and

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

■ 61. Revise § 302-9.302 to read as follows:

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

You may be authorized to transport only the number of POVs equal to the number of people on the relocation travel orders, who are licensed drivers, not to exceed two, while relocating within CONUS at Government expense under this Chapter. Your agency must determine that such transportation is advantageous and cost effective to the Government in accordance with § 302-9.301. A vehicle may not be shipped as PBP&E.

**§§ 302-9.501 through 302-9.505 [Redesignated as §§ 302-9.502 through 302-9.506]**

■ 62. Redesignate §§ 302-9.501 through 302-9.505 as §§ 302-9.502 through 302-9.506, respectively.

■ 63. Add a new § 302-9.501 to read as follows:

**§ 302-9.501 How many POV's may we authorize for transportation at Government expense?**

Within CONUS, you may authorize transportation of up to two POVs at Government expense, as prescribed in § 302-9.302. For shipments from CONUS to OCONUS, OCONUS to OCONUS, and OCONUS to CONUS, only one POV may be transported at Government expense.

**§ 302-9.504 [Amended]**

■ 64. Amend newly designated § 302-9.504 by removing “§ 302-9.504” and adding “§ 302-9.505” in its place.

■ 65. Amend the newly designated § 302-9.505 by—

■ a. Removing the word “and” at the end of paragraph (c);

■ b. Removing the period at the end of paragraph (d) and adding “; and” in its place; and

■ c. Adding paragraph (e) to read as follows:

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

\* \* \* \* \*

(e) The POV is in operating order and legally titled and tagged for driving.

■ 66. Amend newly designated § 302-9.506 by:

■ a. Removing the period at the end of paragraph (d) and adding “; and” in its place; and

■ b. Adding paragraphs (e) and (f) to read as follows:

**§ 302–9.506 What must we consider in determining whether transportation of a POV within CONUS is cost effective?**

\* \* \* \* \*

(e) The POV is in operating order and legally titled and tagged for driving; and

(f) The distance that the POV is to be shipped is greater than 600 miles.

**PART 302–11—ALLOWANCES FOR EXPENSES INCURRED IN CONNECTION WITH RESIDENCE TRANSACTIONS**

■ 67. The authority citation for 41 CFR part 302–11 continues to read as follows:

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

■ 68. Revise § 302–11.2 to read as follows:

**§ 302–11.2 Am I eligible to receive an allowance for expenses incurred in connection with my residence transactions?**

(a) You must meet four basic conditions to be eligible to receive an allowance for expenses incurred in connection with your residence transactions:

(1) You must be transferring from one official station to another;

(2) Your relocation must be incidental to the transfer (*i.e.*, not for the convenience of the employee);

(3) Your relocation must meet the distance test conditions of § 302–2.6; and

(4) Your new official station must be within the United States.

(b) If you previously transferred from an official station in the United States to a foreign area and you are now transferring back to the United States, then, in addition to the requirements of paragraph (a) of this section, you must have completed the time period specified in your service agreement for your overseas tour of duty.

**§ 302–11.21 [Amended]**

■ 69. Amend § 302–11.21, in the second sentence, by removing “2 years” and adding “1 year” in its place.

■ 70. Revise § 302–11.22 to read as follows:

**§ 302–11.22 May the 1-year time limitation be extended by my agency?**

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

■ 71. Amend § 302–11.200 by revising the introductory text to read as follows:

**§ 302–11.200 What residence transaction expenses will my agency pay?**

Provided the residence transaction expenses are customarily charged to the seller of a residence in the locality of the old official station or paid by the purchaser at the new official station, your agency will, with appropriate supporting documentation provided by you, reimburse you for the following residence transaction expenses when they are incurred by you incident to your relocation:

\* \* \* \* \*

**§ 302–11.404 [Amended]**

■ 72. Amend § 302–11.404, paragraph (c), by removing “2-year” and adding “1-year” in its place.

**§ 302–11.420 [Amended]**

■ 73. Amend § 302–11.420 by removing “2 years” and adding “1 year” in its place.

**§ 302–11.421 [Amended]**

■ 74. Amend § 302–11.421, paragraph (a), by removing “two years” and adding “one year” in its place.

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

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

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

■ 76. Revise §§ 302–12.1 through 302–12.3 to read as follows:

**§ 302–12.1 Who determines if I may use a RSC?**

Your agency determines whether you may use a RSC and chooses which RSC you may use.

**§ 302–12.2 Under what conditions may I participate in my agency’s homesale program?**

You may participate in your agency’s homesale program, through its RSC contract, blanket purchase agreement, task order, or other formal arrangement (for the remainder of this part, all of these will be referred to as the contract with the RSC) provided you meet all of the following conditions:

- (a) You are authorized to relocate;
- (b) Your relocation includes at least one residence transaction;
- (c) You have signed a relocation service agreement;
- (d) Your agency authorizes you to use a RSC with which your agency has a contract;
- (e) Your residence is within RSC contract scope for type, size, condition, and other contractual requirements;

(f) You meet all conditions established by this Chapter for the services that the RSC will provide to you; and

(g) You have signed an agreement with your agency to enter the agency’s homesale program and to abide by all terms of the agency’s contract with the RSC (*see* § 302–12.4 for contract term examples).

**§ 302–12.3 Am I required to participate in homesale counseling?**

Yes, you are required to participate in homesale counseling if you are going to use the RSC. The RSC and/or your agency must provide counseling to help you understand the process, select a broker, prepare your home for sale, identify an appropriate selling price, set realistic expectations, etc. This counseling may be in person or via an electronic medium, at your agency’s discretion. Your agency should also provide you with relocation information/counseling prior to you making any decisions to relocate.

**§§ 302–12.4 through 302–12.9 [Redesignated as §§ 302–12.5 through 302–12.10]**

■ 77. Redesignate §§ 302–12.4 through 302–12.9 as §§ 302–12.5 through 302–12.10.

■ 78. Add a new § 302–12.4 to read as follows:

**§ 302–12.4 To what terms of the RSC contract am I required to agree?**

Your agency determines the contract terms to which you will be required to agree. Examples of these contract terms may include, but are not limited to, the following:

(a) You will participate in counseling provided by the RSC;

(b) You will seriously consider any bona fide offer that you receive during the minimum marketing period;

(c) As a precondition of using its relocation services, you will complete and submit a disclosure form to the RSC to provide thorough information about the age and condition of your home and its systems.

■ 79A. Revise §§ 302–12.105 and 302–12.106 to read as follows:

**§ 302–12.105 Must we have a contract with a RSC that includes a comprehensive homesale program?**

No, you are not required to have a contract that includes a comprehensive homesale program (which, for this purpose, is defined as a relocation program that includes a contract with a RSC that provides for buyer value option sales, amended sales, and appraised value purchases by the RSC).

However, if you do not have such a program, you must examine and evaluate the objectives and relative costs of your relocation benefits and management processes at least once every two years to determine whether a comprehensive homesale program should be part of your relocation program.

**§ 302–12.106 What rules must we follow when contracting for a comprehensive homesale program?**

You must follow the rules contained in the Federal Acquisition Regulations (FAR) (48 CFR) and/or all other acquisition regulations applicable to your agency.

**§ 302–12.107 [Removed and Reserved]**

■ 79B. Remove and reserve § 302–12.107.

**§§ 302–12.108 through 302–12.114 [Redesignated as §§ 302–12.115 through 302–12.121]**

■ 80. Redesignate §§ 302–12.108 through 302–12.114 as §§ 302–12.115 through 302–12.121.

■ 81A. Add and reserve § 302–12.108 to read as follows:

**§ 302–12.108 [Reserved]**

■ 81B. Add new §§ 302–12.109 to read as follows:

**§ 302–12.109 May we require employees to participate in counseling before listing their homes?**

Yes, you may require that employees participate in counseling before listing their homes, provided this is written into your agency's relocation policy. This is a common practice in the private sector. Please note, however, that this may exclude from your homesale program any employee who lists his/her home before the relocation travel authorization is approved. If you choose to make this part of your agency policy, you should make a major, ongoing effort to inform as many of your potential transferees as possible of this policy.

■ 81C. Add and reserve § 302–12.110 to read as follows:

**§ 302–12.110 [Reserved]**

■ 81D. Add new §§ 302–12.111 through 302–12.114 to read as follows:

**§ 302–12.111 May we require an employee to use a real estate broker specified by the RSC?**

Yes, you may require, through your contract with the RSC, that every employee enrolled in the homesale program use a real estate broker specified by the RSC. This provision is not part of the standard terms for a homesale program, but it may provide a

pricing advantage in negotiations with potential RSC, as well as an opportunity for better management of the homesale process.

**§ 302–12.112 May we require an employee to use a mortgage service provider specified by the RSC?**

No. Under the Real Estate Procedures Settlement Act (RESPA), you may not require that the employee obtain any mortgage from a lender specified by the RSC. The RSC may provide the employee access to multiple mortgage service providers as long as there is no use requirement, and the employee is provided a choice. Allowing the RSC to provide access to multiple providers is not part of the standard terms for a homesale program, but it may provide a pricing advantage in negotiations with potential RSCs, as well as an opportunity for better management of the homesale process.

**§ 302–12.113 What must we do when planning, establishing, and administering a RSC contract?**

(a) When planning and establishing a RSC contract, you must structure the contract so that it provides the best possible value to the Government, considering costs, tax implications, morale, mobility, employee choice, productivity, and any other relevant considerations. For most agencies and most relocations, this structure will include the possibility of a BVO sale or an amended value sale.

(b) Once you have a RSC contract, you must monitor costs and tax consequences and make adjustments as necessary, to ensure that your homesale program continues to provide the same best value to the Government.

**§ 302–12.114 What policies must we establish when offering our employees the services of a RSC?**

If you choose to offer the services of a RSC to your employees, you must establish policies governing:

(a) The conditions under which you will authorize an employee to use the contract with the RSC;

(b) Which employees you will allow to use the contract with the RSC;

(c) Which services the RSC will provide to the employee;

(d) Who will determine in each case if an employee may use the contract with the RSC and which services the RSC will provide;

(e) How you will monitor and evaluate the counseling provided by you and/or the RSC to your employees; and

(f) How you will monitor and maintain an appropriate balance between the three types of homesale transactions in your homesale programs

(appraised value, buyer value option, and amended value).

**PART 302–15—ALLOWANCE FOR PROPERTY MANAGEMENT SERVICES**

■ 82. The authority citation for 41 CFR part 302–15 is revised to read as follows:

**Authority:** 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, as amended, 3 CFR, 1971–1975 Comp., p. 586.

■ 83. Revise § 302–15.2 to read as follows:

**§ 302–15.2 What are the purposes of the property management services allowance?**

The purposes of the property management services allowance are to:

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

(b) Relieve employees transferred to OCONUS duty stations from the costs of maintaining a home in CONUS during their tour of duty.

**§ 302–15.10 [Amended]**

■ 84. Amend § 302–15.10, paragraph (a), by—

■ a. Removing “2 years” and adding “one year” in its place; and

■ b. Removing “2-year” and adding “1-year” in its place.

■ 85. Revise § 302–15.70 to read as follows:

**§ 302–15.70 What governing policies must we establish for the allowance for property management services?**

You must establish policies and procedures governing:

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

(b) When it is appropriate to authorize this service on a reimbursable basis to the employee, rather than paying the property management company directly, as long as any reimbursement is equal to or less than the agency negotiated rate for this service (agencies may require that employees hire only licensed and/or certified property managers).

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

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

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

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

■ 86. The authority citation for 41 CFR part 302-16 is revised to read as follows:

**Authority:** 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, as amended, 3 CFR, 1971-1975 Comp., p. 586.

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

■ 87. Redesignate §§ 302-16.1 and 302-16.2 as §§ 302-16.2 and 302-16.1, respectively.

■ 88. Revise newly redesignated §§ 302-16.1 and 302-16.2 to read as follows:

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

The miscellaneous expenses allowance (MEA) is intended to help

defray some of the costs incurred due to relocating. (See part 302-10 of this chapter for specific costs normally associated with relocation of a mobile home dwelling that are covered under transportation expenses.)

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

Miscellaneous expenses are:

(a) Costs associated with relocating that are not covered by other relocation benefits detailed in Chapter 302.

(b) Expenses allowable under this section include but are not limited to the following, and similar, items:

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