

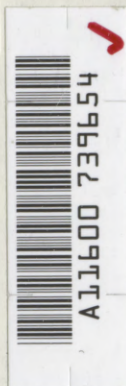
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TRANSPORTATION HOME OF THE REMAINS,
FAMILIES, AND EFFECTS OF FEDERAL EM-
PLOYEES WHO DIE IN ALASKA AND HAWAII

GOVERNMENT

Storage



HEARING
BEFORE THE
COMMITTEE ON
OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
EIGHTY-SEVENTH CONGRESS
SECOND SESSION

ON

S. 1458

AN ACT TO AMEND THE ACT OF JULY 8, 1940, RELATING
TO THE TRANSPORTATION OF THE REMAINS, FAMILIES,
AND EFFECTS OF FEDERAL EMPLOYEES DYING ABROAD,
SO AS TO RESTORE THE BENEFITS OF SUCH ACT TO
EMPLOYEES DYING IN ALASKA AND HAWAII, AND FOR
OTHER PURPOSES

FEBRUARY 20, 1962

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CONTENTS

Statement of—	Page
Campbell, James M., legislative attorney, Office of the General Counsel, General Accounting Office, accompanied by Charles E. Eckert, legislative attorney, Office of Legislative Liaison, Office of the General Counsel.....	6
Mullins, George G., Chief, Property and Supply Management Branch, Office of Management and Organization, Bureau of the Budget, accompanied by J. Herbert Walsh.....	10

TRANSPORTATION HOME OF THE REMAINS, FAMILIES, AND EFFECTS OF FEDERAL EMPLOYEES WHO DIE IN ALASKA AND HAWAII

TUESDAY, FEBRUARY 20, 1962

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D. C.

The subcommittee met, pursuant to call, at 10 a.m., in room 215, House Office Building, Hon. Richard H. Ichord (chairman of the subcommittee) presiding.

Mr. ICHORD. The subcommittee will come to order please.

The purpose of this subcommittee meeting is to consider S. 1458, a bill designed to restore to employees performing duties in Alaska or Hawaii certain benefits to which they were entitled prior to the admission of Alaska and Hawaii as States.

(The bill S. 1458 follows:)

[S. 1458, 87th Cong., 1st sess.]

AN ACT To amend the Act of July 8, 1940, relating to the transportation of the remains, families, and effects of Federal employees dying abroad, so as to restore the benefits of such Act to employees dying in Alaska and Hawaii, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of July 8, 1940, entitled "An Act to defray the costs of returning to the United States the remains, families, and effects of officers and employees dying abroad, and for other purposes" (5 U.S.C. 103a), is amended to read as follows:

"In case any civilian officer or employee of the United States dies (1) while in a travel status away from his official station in the continental United States, excluding Alaska, or (2) while performing official duties outside the continental United States or in Alaska, or in transit thereto or therefrom, the head of the department, independent establishment, agency, or federally owned or controlled corporation, hereinafter called department, in the service of which such officer or employee was engaged, is hereby authorized, under regulations to be prescribed by the President and except as otherwise provided by law, to pay from the appropriation available for the activity in which he was engaged—

"(a) In case of the death of the officer or employee in such travel status in the continental United States, excluding Alaska, or in the case of the death of the officer or employee while performing official duties outside the continental United States or in Alaska or in transit thereto or therefrom, the expenses of preparing and transporting the remains of such officer or employee to his home or official station or such other place as the head of the department concerned shall determine to be the appropriate place of interment.

"(b) In case of the death of the officer or employee while performing official duties outside the continental United States or in Alaska or in transit thereto or therefrom, the transportation expenses of his dependents, including expenses incurred in packing, crating, drayage, and transportation of household effects and other personal property to his former home or such other place as the head of the department shall determine.

"(c) In the case of dependents of a civilian officer or employee who died while residing with such civilian officer or employee performing official duties

at a place outside the continental United States or in Alaska or while in transit thereto or therefrom, the head of the department concerned is authorized to pay the necessary expenses incurred for the transportation of remains to such person's home or to such other place as the head of the department concerned shall determine to be the appropriate place for interment. Mortuary services and supplies may be furnished, if practicable, by the department concerned in respect of such dependents on a reimbursable basis where local commercial mortuary facilities and supplies are not available, or if available, the cost thereof is prohibitive in the opinion of the head of such department. Reimbursement for the cost of mortuary services and supplies furnished under the authority of this paragraph shall be collected and credited to current appropriations available for the payment of such costs."

SEC. 2. The amendment made by this Act shall become effective with respect to Alaska and Hawaii, respectively, on and after the date each of them became a State of the United States of America.

Passed the Senate July 7, 1961.

Attest:

FELTON M. JOHNSTON, *Secretary.*

Mr. ICHORD. This bill, S. 1458, will restore authority to Federal agencies to defray the costs of preparing and transporting the remains of employees who die while performing official duties in Alaska or Hawaii, and the cost of the transportation of their dependents and the transportation of their household effects and other personal property, to the former employees' homes, or such other place as the head of the department shall determine.

Up until the time that Alaska and Hawaii became States, the act of July 8, 1940, authorized payment for these two categories of expenses. However, the change in political status of Alaska and Hawaii from Territories to States had the effect of canceling the authority, because the authorizing provisions contained the geographical description of "a Territory or possession of the United States," which excluded Alaska and Hawaii when they became States.

A third category of expenses—authority to pay the expenses of transporting the remains of dependents of employees stationed in Alaska or Hawaii—was added to the 1940 act by the act of July 15, 1954. This authority was not affected when Alaska and Hawaii became States, because the 1954 amendment contains the geographical description of "a place outside the continental United States or in Alaska." Thus, we have the inconsistent situation where the remains of a dependent of an employee stationed in Alaska or Hawaii can be returned at Government expense, but the remains of the employee cannot be returned at Government expense.

This inconsistency was first called to the attention of the House Post Office and Civil Service Committee by the Comptroller General by letter dated December 16, 1960. The Senate-passed bill S. 1458, which we are considering here today, resulted from a similar letter from the Comptroller General to the Senate Post Office and Civil Service Committee. There is no comparable House bill.

As I understand it, the purpose of this bill is to permit the remains of Government employees to be returned to the continental United States at the expense of the Government, as is now authorized in the case of the remains of dependents. This is because the law applicable to dependents used the term "outside the continental United States or in Alaska," which would cover Alaska and Hawaii, while the law applicable to employees themselves referred to "Territories."

Without objection, the letter of December 16, 1960, from the Comptroller General, will be inserted in the record at this point, as

well as a copy of his decision of December 16, 1960, to the Administrator.

(The documents referred to follow:)

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, December 16, 1960.

B-144396

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

DEAR MR. CHAIRMAN: We direct your attention to an inconsistency in the law relating to the preparation and the transportation of remains of employees (including dependents) who die while stationed in Alaska and Hawaii (sec. 1 of the act of July 8, 1940, as amended (5 U.S.C. 103a)).

Our decision of today, B-144396 (a copy enclosed), which affirms our previous decision of April 20, 1960 (39 Comp. Gen. 716), holds that after the admission of Alaska and Hawaii as States of the United States, Government employees who die while stationed within those States would be entitled under section 1 of the act of July 8, 1940, to the same benefits applicable to employees who die while stationed elsewhere within the United States rather than the benefits prescribed in such law for employees stationed in territories. Thus, after the admission of Alaska and Hawaii as States, the remains of an employee who dies while stationed in Alaska or Hawaii may not be prepared and transported at Government expense unless the death occurred while the employee was in a travel status away from his official station. Similarly, transportation of dependents and household effects of an employee dying in Alaska or Hawaii may not now be furnished under the 1940 act.

The inconsistency to which we refer is the fact that under subsection (c) of section 1 of the 1940 act, as added by section 7(b) of the act of July 15, 1954 (68 Stat. 479), the preparation and transportation of the remains of dependents of employees stationed in Alaska or Hawaii to the employee's home or appropriate place of interment would be authorized even though under subsection (a) such benefits could not be granted in the case of the death of the employee himself. This is true because the language in subsection (c) extends those benefits to dependents of employees performing official duties "outside the continental United States" which would include Hawaii, even though she now is a State, and to dependents of employees stationed "in Alaska," whereas under subsection (a) the remains of an employee who dies in any one of the 50 States may not be prepared and transported at Government expense unless the employee was in an official travel status at the time of his death.

Generally, in connection with the matter we point out that although the remains of an employee who dies while stationed in Alaska or Hawaii may not (unless the employee was in a travel status at the time of his death) be prepared and transported at Government expense under section 1a of the 1940 act, had he lived and completed the period of service specified in his employment agreement, he and his dependents would have been entitled to return transportation to the actual place of residence under section 7 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-3).

Moreover, even though transportation of dependents of an employee who dies while performing duty in Alaska or Hawaii may not be authorized at Government expense under section 1 of the 1940 act, ordinarily, the death of the employee would constitute a separation for "reasons beyond his control" and if such reasons are "acceptable to the department or agency concerned" return transportation of the immediate family to the actual place of residence would be authorized under section 7 of the Administrative Expenses Act of 1946. See our decision of September 29, 1960, B-142477 (40 Comp. Gen. 196).

The extent to which benefits should be granted to employees (including dependents) who die while stationed in Alaska and Hawaii is, in our opinion, a matter of policy for decision of the Congress; and we therefore direct your attention to these inconsistencies for such consideration as you may deem appropriate. We should be pleased to furnish such assistance as we may be called upon to render in connection with your committee's consideration of this matter.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, December 16, 1960.

B-144396

Hon. E. R. QUESADA,
Administrator, Federal Aviation Agency.

DEAR MR. QUESADA: On November 4, 1960, you requested our decision concerning the authority to prepare and transport at Government expense the remains of an employee who died in Alaska, from Alaska to his actual place of residence elsewhere in the United States. In effect, your request is that we overrule our decision of April 20, 1960, B-142477 (39 Comp. Gen. 716), construing section 1 of the act of July 8, 1940 (5 U.S.C. 103a). That decision held that after the admission of Alaska and Hawaii as States of the United States, Government employees dying within those jurisdictions would be entitled, under section 1 of the 1940 act, to the same benefits applicable to employees stationed elsewhere within the United States rather than those applicable to employees stationed in territories and possessions, etc.

Section 1 of the act of July 8, 1940, is in pertinent part as follows:

"§ 103a. *Remains, dependents, and effects of officers and employees dying abroad, or away from official station, transportation.*

"In case any civilian officer or employee of the United States dies (1) while in a travel status away from his official station in the United States or (2) while performing official duties in a Territory or possession of the United States or in a foreign country or in transit thereto or therefrom, the head of the department, independent establishment, agency, or federally owned or controlled corporation, hereinafter called department, in the service of which such officer or employee was engaged, is hereby authorized, under regulations to be prescribed by the President and except as otherwise provided by law, to pay from the appropriation available for the activity in which he was engaged—

"(a) In case of the death of the officer or employee in such travel status in the United States, or in the case of the death of the officer or employee while performing official duties in a Territory or possession of the United States or in a foreign country or in transit thereto or therefrom, the expenses of preparing and transporting the remains of such officer or employee to his home or official station or such other place as the head of the department concerned shall determine to be the appropriate place of interment.

"(b) In case of the death of the officer or employee while performing official duties in a Territory or possession of the United States or in a foreign country or in transit thereto or therefrom, the transportation expenses of his dependents, including expenses incurred in packing, crating, drayage, and transportation of household effects and other personal property to his former home or such other place as the head of the department shall determine."

You acknowledge that under the quoted section the transportation of remains is provided for upon a different basis depending upon whether the deceased employee was stationed, at the time of his death, within a territory or possession of the United States, or within one of the several States of the United States. However, you say, in effect, that the legislative history of the 1940 statute clearly establishes that this distinction was based upon distance and geographical location alone and not upon the territorial status of Alaska or Hawaii.

Admittedly, there is some support for that view in the legislative history of the 1940 statute. However, neither Alaska nor Hawaii had been granted statehood at the time the 1940 statute was enacted. Had statehood been granted prior to the enactment of that act, the Congress would have been confronted with different policy considerations from those with which it was confronted at the time of enactment of the 1940 statute. One of these considerations would have been whether employees of the Government stationed in certain States should be granted benefits different from and greater than employees stationed in other States. Also, there would have been the question of the effect of granting preferential treatment to employees stationed in Alaska or Hawaii upon the basic policy of encouraging Government employees to establish permanent homes (domiciles) in the new States.

While we do not think it can be fairly determined at this time how Congress would have acted had Alaska and Hawaii been granted statehood prior to enactment of the 1940 statute, we do think that it is significant that Alaska and Hawaii had not been granted statehood at that time. In our opinion that fact warrants the conclusion that the plain wording of the statute should not be construed

away in reliance upon certain general statements appearing in the legislative history of that statute—referred to in your letter—that did not contemplate the actual situation as it exists after the admission of Alaska and Hawaii as States.

In support of your view you refer to section 49 of both the Hawaiian Omnibus Act (74 Stat. 424) and the Alaskan Omnibus Act (73 Stat. 154). You quote section 49 in your letter as follows:

"The amendment by this Act of certain statutes by deleting therefrom specific references to Hawaii [Alaska] or such phrases as 'Territory of Hawaii [Alaska]' shall not be construed to affect the applicability or inapplicability in or to Hawaii [Alaska] of other statutes not so amended."

We think that the effect of section 49 is nothing more than to preclude any inference from being drawn that the inclusion in the Alaskan Omnibus Act and in the Hawaiian Omnibus Act of amendments to certain statutes and omissions of amendments to others was intended to affect the applicability of statutes not specifically referred to in those acts. However, this does not mean that all statutes not so amended must continue to be construed after the admission of Alaska and Hawaii as States as they theretofore had been construed. Rather, the application of any particular statute would depend upon a construction of the language and the legislative history of the statute involved.

In that connection we do not consider that our ruling in the decision of April 20, 1960, is in conflict with our decision appearing in 38 Comp. Gen. 447, referred to in your letter. Our view is that the legislative history of the act of July 8, 1940, which contains no indication that the admission of Alaska and Hawaii was contemplated by the Congress in connection with its consideration of the 1940 statute, does not require or warrant our disregarding the clear meaning of the specific wording of that statute. We therefore affirm the conclusion stated in our decision of April 20, 1960.

For similar reasons, we see no sound basis for modifying our decision concerning the annual leave accumulation ceiling applicable to employees stationed in Alaska (38 Comp. Gen. 261) also referred to in your letter.

While the conclusion reached herein is required, we recognize that the admission of Alaska and Hawaii as States creates certain inconsistencies in the operation of section 1 of the act of July 8, 1940, as amended. Thus, while payment will be denied under that act for reimbursement of the cost of preparation and transportation of the remains of an employee who dies—other than in a travel status—in Alaska or Hawaii to his "home or official station or such other place as the head of the department concerned shall determine to be the appropriate place of interment," payment of such costs will continue to be made in connection with the death of dependents of the employee under subsection (c) of that section. (See 5 U.S.C. 103a(c).) Also, under section 7 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b-3), payment would be authorized for return transportation of the employee should he survive and complete his contract of employment. Moreover, in general, payment of transportation expenses of the dependents of an employee stationed in Alaska or Hawaii will continue to be made under section 7 of the Administrative Expenses Act of 1946 when the employee's death prevents the completion of his agreed tour of service. (See decision of Sept. 29, 1960, 40 Comp. Gen. 196.)

While the question whether the allowance should be authorized is clearly one of policy for decision by the Congress and concerning which we take no position, in the light of the obvious inconsistencies concerning the payment of this and similar types of allowances, we are directing the matter to the attention of the Committee on Post Office and Civil Service of the Senate and the House of Representatives.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Mr. ICHORD. The first witness this morning is Mr. James M. Campbell, legislative attorney, Office of the General Counsel, General Accounting Office.

Mr. Campbell.

STATEMENT OF JAMES M. CAMPBELL, LEGISLATIVE ATTORNEY,
OFFICE OF THE GENERAL COUNSEL, GENERAL ACCOUNTING
OFFICE, ACCOMPANIED BY CHARLES E. ECKERT, LEGISLATIVE
ATTORNEY, OFFICE OF LEGISLATIVE LIAISON, OFFICE OF THE
GENERAL COUNSEL

Mr. CAMPBELL. Mr. Chairman and members of the subcommittee, we have a short statement, but the statement just made by the chairman has pretty well covered the field and includes everything we have in the statement we had prepared for presentation this morning.

Now, if you would like, we will read our statement at this time or file it for the record; or if there are any questions you wish to have us answer at this time, we will be glad to do that.

Mr. DULSKI. Mr. Chairman, I believe the statement you made covers practically the contents of Mr. Campbell's prepared statement, and I don't think there is much debate, at least on my part, as far as the inequity is concerned. I think that should be corrected and restored to the proper channels.

Mr. ICHORD. Mr. Derwinski, any questions?

Mr. DERWINSKI. I would be curious to know how many Federal employees in Alaska or Hawaii consider their home residence as being in one of the 48 continental States.

Do we have any figures to show what percentage of employees show Alaska or Hawaii as their homes?

Mr. CAMPBELL. I would not have those figures, Mr. Derwinski. I don't know whether the Bureau of the Budget would have any figures on that or not.

Mr. MARTINY. I believe the Bureau of the Budget is alerted to having some figures on the number of employees involved.

Mr. ECKERT. I believe this would probably be true, that if they were hired in Alaska or hired in Hawaii, they would not be entitled to this benefit. In other words, that would be their home of record, and this would only apply where someone goes to Alaska and their remains are to be returned to their home.

Mr. CAMPBELL. I am not certain of that. I don't believe we have ruled on that point, and I wouldn't like to say categorically—

Mr. ECKERT. Certainly the purpose would be to take care of people who go from the continental United States to Alaska or Hawaii and die while on duty out there. I do not know if there would be an expense involved, even though technically there could be.

Mr. CAMPBELL. The language of the law is pretty broad and I wouldn't like to say categorically one way or the other how that would be.

Mr. DERWINSKI. I am not going to object to the bill, Mr. Chairman, but I think we should at least write into the record some discussion of the overall problems that come up in this and related bills dealing with Alaska and Hawaii.

In effect, since we gave Alaska and Hawaii the blessings of statehood—if you assume statehood above territorial government is a blessing—we still subsidize them in terms of all the other benefits they were receiving as territories, and I feel that in both instances Alaska and Hawaii have the privileges of statehood without some of the personal financial responsibilities or burdens that other States bear.

I think—not in this bill perhaps, but in the future—we will have to come to grips with that basic inconsistency and if we could have some indication as to how many Federal employees in those States are considered residents of the States, and how many would be affected by a bill like this, I think this would be helpful to us in future deliberations.

Mr. CAMPBELL. I might say this: The General Accounting Office has not taken any position as to whether this bill is the best way of removing the inconsistency in the right of the transportation of the remains of dependents and in the right of the transportation of the remains of the employee himself.

It could be done in the manner adopted by this bill or it could be done by deleting present authority for the transportation of the remains of a dependent who dies while residing with an employee stationed in Alaska or Hawaii.

Mr. ICHORD. Well, that is a question for this committee to decide. It certainly is inconsistent to permit the remains of the dependent to be transported back to the continental United States at Government expense and not permit the remains of the deceased employee to be transported back at Government expense.

We could make it consistent by putting Alaska and Hawaii in the same status as any other State in that respect.

I would like to have some testimony as to what has been the cost, prior to the admission, of the transportation of the remains of both dependents of employees and of the employees themselves.

Do you have any testimony as to the cost of that?

Mr. CAMPBELL. No, sir; we do not have that, sir.

Mr. DULSKI. Mr. Chairman?

Mr. ICHORD. Mr. Dulski.

Mr. DULSKI. Mr. Derwinski brought out a good point.

Suppose a person is a resident of Hawaii and his post of duty is, let's say, New York State. Would he get paid from New York State going to Hawaii?

Mr. ICHORD. You mean going the other way, if he is a resident of Hawaii?

Mr. DULSKI. Yes; and he is stationed in New York State, his post of duty is New York State.

Mr. ICHORD. Can you answer that question, Mr. Campbell?

Mr. CAMPBELL. When he is in New York State and he dies, the question is whether or not his remains may be transported from New York State back to Hawaii?

Mr. DULSKI. That is right.

Mr. CAMPBELL. I don't believe the bill covers it in precise language.

Mr. ECKERT. I don't think this was intended to be covered by the bill.

Basically, this bill was set up to bring back people to the United States who serve outside of the continental United States. This was the theory of the original legislation. If a man went to Puerto Rico or Cuba or any foreign country and died, of course the United States would bring them back.

Mr. DULSKI. As the Congressman brought out, let's say the man is stationed in New York City, and his post of duty is San Francisco. He doesn't get paid for transportation. But take the person that is living in Hawaii, is a resident of Hawaii, and is working in San Francisco. Now he is getting a special privilege if his transportation is

paid. I was under the impression that this works both ways. This is like class legislation for two States, given the privilege from one State to another, but it doesn't give the same extension to the person living in the United States because the distance could be the same.

Mr. ECKERT. Or greater. We recognize that.

Mr. CAMPBELL. True: it could be the same or greater.

Mr. DULSKI. So any person receiving a job from Hawaii or Alaska is in a better position of taking advantage—I could see this bill going into effect when they were a territory, but now we are giving them a special privilege.

Mr. ICHORD. If the purpose of the law is to cover the expense because of the distance involved, then it would operate as well from the continental United States to Alaska or Hawaii.

Mr. DULSKI. Mr. Chairman, the distance from New York to San Francisco is probably greater than it is from—well, let's say from Washington State to Alaska—and still this person is getting the advantage because he is a resident of Alaska.

Mr. DERWINSKI. Will the gentleman yield?

Mr. DULSKI. Surely.

Mr. DERWINSKI. That is the reason I raised the point. I have felt in numerous other issues that have come up the last 3 or 4 years relative to adjustments made necessary by Hawaiian and Alaskan statehood that the entire question of policy toward Alaskan and Hawaiian residents—for example, pay to servicemen. They still get a 10-percent differential for service in Alaska.

All of these things someday will have to be thoroughly reviewed.

This bill has merit. I think we ought to pass it, but I think we ought to write into our House report at least the thought that this is a matter which Congress should thoroughly review in the reasonably near future.

That is the point I originally intended to make.

Mr. ICHORD. Mr. Martiny, do you have something to add in that respect?

Mr. MARTINY. I might add that the purpose behind this authority in the 1940 act was to add a recruitment incentive for people to go to the territories, including Alaska and Hawaii. There never was any need for recruiting people from Hawaii to come to the United States. The 1940 act has considerably more coverage than the particular point we are discussing here. It applied to any foreign territory, or any territory of the United States, and the purpose was to add additional benefits as a recruitment incentive for these employees to go overseas.

It never would work the other way. When an individual is in a travel status as distinguished from being assigned to a permanent post of duty, he also has this benefit.

Mr. ICHORD. Having his remains transported at Government expense back to the United States would be a rather poor enticement, would it not?

Mr. MARTINY. No. One of the purposes of the original 1940 act was to overcome the tremendous burden that was required to be borne by the employee's family in the event of death overseas.

Mr. ECKERT. Mr. Chairman, don't forget that they agree to pay his way back if he lives and serves the 2 years or whatever the agreed

period for his station is. It was felt, in the original act, that if something happened to him or his wife or children, that their remains should likewise be brought back.

Mr. ICHORD. That isn't involved in this bill?

Mr. ECKERT. Only to the extent that in Alaska they apparently still feel that recruitment is still needed.

Mr. ICHORD. This bill only touches on the remains of the employee or the remains of his dependents or the family?

Mr. ECKERT. That is right.

Mr. CAMPBELL. Yes, sir.

Mr. ICHORD. If there be no objection, the written statement of Mr. Campbell will be incorporated in the record at this point.

(The prepared statement of Mr. Campbell follows:)

STATEMENT OF JAMES M. CAMPBELL, LEGISLATIVE ATTORNEY, OFFICE OF THE GENERAL COUNSEL, ACCOMPANIED BY CHARLES E. ECKERT, OFFICE OF LEGISLATIVE LIAISON, GENERAL ACCOUNTING OFFICE

Mr. Chairman and members of the committee, we appreciate the opportunity of appearing before your committee concerning its consideration of S. 1458.

The bill would amend section 1 of the act of July 8, 1940, as amended (5 U.S.C. 103a), to restore to employees stationed in or traveling to or from Alaska and Hawaii the same benefits to which they were entitled under that act prior to the admission of Alaska and Hawaii as States. Prior to enactment of the statehood acts the preparation and transportation of the remains of employees dying while residing in Alaska and Hawaii was authorized to locations in the United States under the general authority existing to return the remains of persons dying outside of the United States. Upon the acquisition by Alaska and Hawaii of statehood the prior existing authority was negated.

The expiration of this authority resulted in the existence of an inconsistency in the provisions of section 1 of the act of July 8, 1940, as amended. On the one hand, subsection (a) does not authorize the preparation and transportation of the remains of an employee who dies at his official station in Alaska or Hawaii, but, on the other hand, subsection (c) does authorize the preparation and transportation of the remains of an employee's dependent who dies while residing with the employee in Alaska or Hawaii.

Generally, when benefits are provided by statute to or on account of dependents of Government employees such benefits are related to the primary benefits accorded the employees. Under the act of July 8, 1940, however, benefits are provided on account of dependents when no comparable benefits are accorded the employees themselves. S. 1458 would remove that inconsistency by restoring the authority to prepare and transport the remains of employees who die while permanently stationed in Alaska or Hawaii.

Whether such inconsistency should be removed by the method provided in S. 1458 or by repealing the authority presently contained in subsection (c) of section 1 of the act of July 8, 1940, for the preparation and transportation of the remains of a dependent who dies while residing with an employee who is stationed in Alaska or Hawaii, is a matter of policy upon which the General Accounting Office offers no recommendation. However, we do favor removal of the inconsistency by one method or the other.

Mr. ICHORD. Are there any further questions?

Mr. DULSKI. I have no questions, Mr. Chairman.

Mr. DERWINSKI. No further questions.

Mr. ICHORD. Thank you, gentlemen.

The next witness is Mr. George G. Mullins, Chief, Property and Supply Management Branch, Office of Management and Organization. He is accompanied by Mr. J. Herbert Walsh.

Mr. Mullins.

STATEMENT OF GEORGE G. MULLINS, CHIEF, PROPERTY AND
SUPPLY MANAGEMENT BRANCH, OFFICE OF MANAGEMENT
AND ORGANIZATION, BUREAU OF THE BUDGET, ACCOMPANIED
BY J. HERBERT WALSH

Mr. MULLINS. Mr. Chairman, we completely endorse what the representatives of the GAO have said, and we also believe that the interpretation which the GAO has given to the law, which has brought to light this inconsistency, is correct. The law does make a distinction between deaths of employees and their dependents, and the simple purpose of the bill is to correct that inconsistency.

The only difference between the position which the Bureau has taken and that which the Comptroller General has taken is that we have endorsed S. 1458 as the solution. We have chosen the one alternative for making the law consistent.

Perhaps the most useful thing I can do would be to give you what little cost information we have been able to gather. We may be able to get some more; we are still working on it. But we can give a little bit now.

We have not been able to get the number of Federal employees in Alaska and in Hawaii who have their permanent homes in the former 48 States. We do have, as I am sure you have, the total number of Federal employees in those two places.

As of last December 31 it is 12,763 in Alaska and 22,337—

Mr. ICHORD. Do you have an estimate as to the percentage that have their homes in the continental United States?

Mr. MULLINS. No, sir; but we believe it is the biggest part. We believe the number who are natives is still relatively small.

Mr. DULSKI. You mean these people are residents of Alaska?

Mr. MULLINS. No, sir; this figure includes all Federal employees in Alaska, some of whom have permanent homes in Alaska—they may be Eskimos or Aleuts—and the remainder of whom are from the former 48 States. I do not as yet have an accurate breakdown as between the two.

The Civil Service Commission didn't have the breakdown in a form that I could give it to you.

Now, we also have some rather sketchy estimates of cost, which we may be able to augment a little later on.

Three of the principal Federal agencies represented in Alaska are the Federal Aviation Agency, the Interior Department, and, of course, the Department of Defense.

The Federal Aviation Agency from the date of statehood until March 9, 1961—that is roughly 26 months of experience for Alaska and about 18 months for Hawaii—had two deaths in Alaska, and there was a total cost of those two deaths of \$1,115. There were no deaths of FAA employees in Hawaii.

Mr. DULSKI. Over what period of time was that?

Mr. MULLINS. That is from the date of statehood of each of the two States until March 9, 1961. That is a total elapsed time of 26 months for Alaska and 18 months for Hawaii.

In the case of the Interior Department, from statehood to date, which is roughly 3 years for Alaska and about 2 years and 5 months for Hawaii, the Interior Department informed us of three deaths in Alaska and one in Hawaii.

We do not have cost figures from the Interior Department. We were not able to get them.

In the case of the Department of Defense, their report, which I believe the subcommittee has, indicates that for the calendar year 1959 they had a total of 28 deaths of employees in Hawaii and Alaska. We don't have figures later than calendar 1959, but we understand there has been no appreciable change.

Those 28 deaths cost the Government an average of \$1,851 per case, or about \$52,000 total for the year. Those costs included not only the cost of preparing and transporting the remains, but also the cost of moving the household goods and dependents.

The report also indicates that the average cost for moving the dependents and household goods, which is included in that \$1,851 that I mentioned, is \$1,307 from Alaska and about the same, \$1,341, from Hawaii.

I might comment on one point that was brought up as to why Alaska and Hawaii are singled out for special treatment. Now that they are States they have assumed the duties as well as the privileges of statehood. We started out with the idea at the time the statehood acts were passed that special territorial privileges would be repealed. It has been necessary not only in this case, but in a few other instances to take a second look at that with respect to Federal employees.

An example is the travel per diem rates that an employee gets who is in Alaska. The territory of Alaska was treated as though it were a foreign country, which meant that the Director of the Bureau of the Budget determined what the per diem rates would be; whereas, as you know, in the 48 States there is a statutory maximum—currently \$16 a day—which applies.

In Alaska the basis for special per diem rates, as well as some of the things we are talking about here, was not statehood but geography and distance, and of course that wasn't changed by statehood. For that reason we felt—and the Congress went along with the idea—that Alaska, and Hawaii, too, should preserve their special character so far as per diem is concerned, and for things based primarily on geography or distance. And that is the rationale for this.

I might also comment on another point that was brought up as to the fact that the allowances provided in the bill appear to be unilateral. In other words, they work in only one direction. The employee who is recruited from the 48 States gets these privileges if he works in Alaska or Hawaii, whereas the employee who was recruited from Hawaii and is working in New York doesn't. At least that is the way we interpret it, the same as the GAO people do. However, I want to point out that this is consistent with a number of other things that we do, for example, home leave, or the right that an employee has to be reimbursed for his expenses when he is first hired. This also is in one direction only and I would expect for the same reason that Mr. Martiny has mentioned, that the recruitment presents a problem in the one situation but not in the other.

We shall be happy to answer any questions the committee may care to ask.

Mr. ICHORD. Any questions, Mr. Dulski?

Mr. DULSKI. No.

Mr. ICHORD. Mr. Derwinski?

Mr. DERWINSKI. I have just one question.

Do you have any figures to show any change in the number of Federal employees since these two States were granted statehood?

Mr. MULLINS. I don't have the historic trend, but I can get it very quickly and supply it for the record.

Mr. DERWINSKI. May we have that information supplied for the record, Mr. Chairman, as to the number of Federal employees at the time Alaska and Hawaii were granted statehood?

Mr. MULLINS. In other words, the trend of Federal employment.

Mr. ICHORD. Surely.

Mr. MULLINS. I will supply that for the record.

Mr. ICHORD. What is the overall estimate of the cost of this legislation?

Mr. MULLINS. We don't have an overall estimate because the only figures we have are the very sketchy ones that I gave you, which are not really on the same basis for each department, as you probably noticed.

We would estimate, however, that it would be very much less than half a million dollars, since the Department of Defense, representing the biggest single piece, is about \$52,000 in a calendar year.

Mr. ICHORD. Less than a half million per year?

Mr. MULLINS. That takes into account the fact that there is a retroactive feature in the bill.

You will notice the last section of the bill provides that it shall take effect as of the date of statehood for each of the States. Now that means that if the bill were enacted the benefits would accrue not only in cases of deaths occurring after enactment, but would date back in the case of Alaska to January 3, 1959, and in the case of Hawaii to August 21, 1959.

Mr. ICHORD. Now the \$52,000 figure for 1959 which you gave us, that was the Department of Defense?

Mr. MULLINS. All parts of the Department of Defense.

Mr. ICHORD. What is the procedure in transporting these bodies back to the continental United States?

Mr. MULLINS. They have mortuary facilities which I believe the Quartermaster Corps has, or is in charge of, and the law provides that if commercial mortuary services and materials are not readily available, the Government, if it does have them available, may furnish them, or if in the opinion of the department head the costs of commercial mortuary services are exorbitant, he may furnish those facilities.

Mr. ICHORD. Do they usually handle the body of a civilian employee the same as they do military personnel?

Mr. MULLINS. I don't know that.

I believe it's practically all common carriers for civilians.

In the case of some foreign countries, I believe there may be exceptions to that where commercial transportation is difficult to come by, but I do not know the facts on that in detail.

Mr. ICHORD. Is there considerable difference between the cost commercially and the cost to the Government?

Mr. MULLINS. Yes. The report which the Department of Defense gave contains some figures on that, and as I recall the commercial cost is around \$2,200 for preparing remains. Am I correct in that? It is \$2,322, as compared with a cost to the Government of approximately \$520.

Mr. ICHORD. Is that the transportation cost alone, or does that also include the cost of preparing the body?

Mr. MULLINS. This is preparing and transporting. It's the two costs together.

Mr. ICHORD. Why couldn't we transport the bodies of civilian personnel through Government facilities the same as military, and save the Government some money?

Mr. MULLINS. I don't know of any objection to that offhand. I think the point is worth inquiring into.

Mr. DULSKI. Mr. Chairman.

Mr. ICHORD. Mr. Dulski.

Mr. DULSKI. If I might interject, I have a slight recollection that the reason they don't want the Government to do it is because it takes much longer to transport a body by Government facilities than it does by common carrier.

Mr. MULLINS. I don't believe there is a set way.

Mr. DULSKI. There isn't.

Mr. MULLINS. I think they have leeway to select the way, but I do think that it would be advisable to be a little cautious about assuming that the Government would save money in every instance by using Government rather than commercial transportation. I think if the military transportation facilities are in existence and are scheduled, and if they have space available, certainly—it's just wasted space, so it could be used to ship remains or for that matter any personnel or material, when they have space available on Government-owned transportation facilities. But otherwise, if they made a special trip for it, it would be much more expensive than common carrier.

The agencies may be using good judgment in using Government space, whether it's by plane or ship, if available, and using common carriers only when they can't help it. I don't know.

I should point out that there is a distinction between cases where the dependent dies and when the employee himself dies. In the case of the employee himself who dies in a foreign country, or in a territory, the Government pays for the mortuarial services and the transportation of the remains, and that is all there is to it. Whereas if it is a dependent who dies, the mortuarial services may be performed by the Government, but it is on a reimbursable basis; the Government gets the money back in that case.

Mr. ICHORD. Do you have any questions, Mr. Derwinski?

Mr. DERWINSKI. No questions.

Mr. ICHORD. Your estimate then is a half million dollars?

Mr. MULLINS. I would say not more than that. But I must say that this is not a very sound estimate, because we only have three agencies and, as I mentioned here, the costs that we gave are on three different bases, so that we would have to dig some more before we had a reliable figure.

(Additional information follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 2, 1962.

HON. RICHARD ICHORD,
*Chairman, Subcommittee on S. 1458, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: During hearings on S. 1458 held by your subcommittee on February 20, 1962, we were requested to furnish additional information concerning the trend of Federal employment in Alaska and Hawaii since statehood. Enclosed is a table containing this information. The number of employees to whom the bill would apply, should they die while employed in Alaska or Hawaii, is shown under the heading "U.S. citizens hired from elsewhere."

Information also was requested as to the number of deaths occurring since statehood among employees to whom the bill would apply. Information has been obtained from the principal agencies which have employees in Alaska and Hawaii, the Defense, Interior, and Health, Education, and Welfare Departments, and the Federal Aviation Agency. These agencies as of December 31, 1961, had 90 percent of the employees in Alaska and 87 percent of the employees in Hawaii to whom the bill would apply. Since Alaska became a State, 67 employees of these agencies who were stationed in Alaska have died. The comparable figure for Hawaii is 28 employees. The average number of deaths per year of employees representing these agencies was 22 in Alaska and 12 in Hawaii.

In response to the subcommittee's request we also have attempted to obtain estimates of costs which would be incurred by the Government if the bill is enacted. The Department of Defense reports that costs for services performed in Government-owned mortuaries are \$210 for each death in Alaska and \$230 for each death in Hawaii. Transportation costs vary depending upon the location of the destination. For example, transportation of the remains via MATS to the west coast and thence by commercial means to Kansas City, Mo., would cost \$194 from Alaska and \$159 from Hawaii. Comparable charges for commercial transportation for the entire distance are \$240 from Alaska and \$356 from Hawaii. The Department of the Interior reports that the commercial costs for mortuary services and transportation have averaged about \$1,100 for deaths in Alaska and in Hawaii in 1959-60. The Federal Aviation Agency reports a similar average for deaths in Hawaii during 1959-61. However, for deaths during this period in Alaska the average cost was approximately \$665. We believe that the cost figures of the Department of Defense are more representative of the costs under the bill since approximately 75 percent of the deaths in Alaska and 80 percent of the deaths in Hawaii were of employees of that Department.

The bill also would authorize payment of transportation costs of dependents of a deceased employee and of his personal effects. Costs of transporting three dependents and 3,000 pounds of personal effects from Alaska to Kansas City would be about \$1,300. The comparable costs from Hawaii would be \$1,341.

Sincerely yours,

WILLIAM D. CAREY,
Executive Assistant Director.

(Information follows)

Federal employment trends in Alaska and Hawaii since statehood

I. ALASKA

Date	Total employment	U.S. citizens hired—		Noncitizens
		Locally	From elsewhere	
June 30, 1958.....	14,208	5,043	9,138	27
June 30, 1959.....	14,888	6,036	8,817	35
June 30, 1960.....	14,435	6,285	8,121	29
June 30, 1961.....	13,639	6,637	6,974	28
Dec. 31, 1961.....	12,763	6,155	6,584	24

II. HAWAII

June 30, 1958.....	21,324	18,303	2,993	28
June 30, 1959.....	21,860	19,187	2,640	33
June 30, 1960.....	21,854	19,141	2,678	35
June 30, 1961.....	22,294	19,399	2,757	38
Dec. 31, 1961.....	22,337	19,504	2,798	35

Mr. ICHORD. The Department of Interior will only use Department of Defense mortuary services when commercial services are not available; is that true?

Mr. MULLINS. Yes, sir.

Mr. ICHORD. You have no prepared statement?

Mr. MULLINS. No, I do not.

Mr. ICHORD. I believe that concludes the witnesses.

The subcommittee is now adjourned.

(Thereupon, at 10:53 a.m., the subcommittee adjourned and proceeded into executive session.)



