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# RENTAL QUARTERS AND SERVICES TO CIVILIAN OFFICERS AND EMPLOYEES

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## HEARING BEFORE THE COMMITTEE ON OFFICE AND CIVIL SERVICE HOUSE OF REPRESENTATIVES EIGHTY-EIGHTH CONGRESS

SECOND SESSION

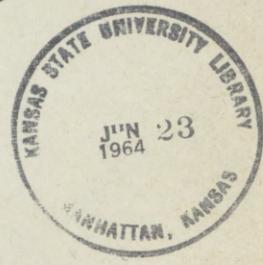
ON

### S. 1833

AN ACT TO AUTHORIZE GOVERNMENT AGENCIES TO PROVIDE QUARTERS, HOUSEHOLD FURNITURE AND EQUIPMENT, UTILITIES, SUBSISTENCE, AND LAUNDRY SERVICE TO CIVILIAN OFFICERS AND EMPLOYEES OF THE UNITED STATES, AND FOR OTHER PURPOSES

JUNE 3, 1964

Printed for the use of the  
Committee on Post Office and Civil Service



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SUBCOMMITTEE APPOINTED TO CONSIDER S. 1833

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## RENTAL QUARTERS AND SERVICES TO CIVILIAN OFFICERS AND EMPLOYEES

WEDNESDAY, JUNE 3, 1964

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

The subcommittee met at 9:30 a.m., in room 215, Cannon House Office Building, Hon. Arnold Olsen of Montana (chairman of the subcommittee) presiding.

Mr. OLSEN. The subcommittee will come to order.

This subcommittee was appointed to consider S. 1833, which is based on an official recommendation of the Bureau of the Budget.

S. 1833 is primarily perfecting legislation which would: (a) Restate existing authority to provide quarters or housing, and related facilities, for Federal civilian employees and members of the military service on a rental basis; (b) reinstate a statutory barrier against forced occupancy of Government rental housing; (c) authorize the President to issue regulations for more equitable application of the laws relating to rental quarters and related services; and (d) clarify the applicability of the laws in certain cases not now clearly covered, such as rent for employees of Government contractors and members of the uniformed services who occupy housing on a rental basis.

This legislation does not authorize any new construction or acquisition of Government quarters, or in any way alter the basic statutory policy that employees stationed in the United States and its territories should pay a reasonable rate for quarters, or pay a reasonable charge for utilities or other services. Nor does it interfere in any way with the authority to require military personnel to live in "public quarters" free of rent, in accordance with normal military practice. This legislation applies only when quarters are occupied on a rental basis and does not apply to Government quarters that are occupied without cost to the occupant.

This is the third consecutive Congress that the Bureau of the Budget has submitted official recommendations on this subject. S. 3486 of the 86th Congress passed the Senate on June 18, 1960. H.R. 7021 of the 87th Congress passed the House on August 21, 1961. And now S. 1833 of the 88th Congress passed the Senate on January 23, 1964. These bills are substantially identical and there is no known opposition to the legislation. In fact, H.R. 7021 of the 87th Congress passed the House on the Consent Calendar.

In view of the lack of any opposition to this legislation in the past, it is hard to understand why there has been such a delay in obtaining enactment. An amendment has been prepared as a substitute for the

provisions of S. 1833, which is intended to clarify some of the provisions of the bill. The amendment does not contain any major substantive change in the practical effect of the bill. Copies of this amendment have been furnished to the Bureau of the Budget and it is hoped that the Bureau's representatives testifying here today will be able to indicate whether they have objection to any of the language in the amendment.

I would like to have inserted in the record at this point a copy of the Senate-passed bill, a copy of the proposed amendment, and a copy of the background and purpose of the proposed bill.

(The documents referred to follow :)

[S. 1833, 88th Cong., 2d sess.]

AN ACT To authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the head of each department, independent establishment, and Government corporation may, under such regulation as the President may prescribe and where conditions of employment or availability of quarters warrant it, provide, either directly or by contract, civilian officers and employees stationed in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, with quarters (Government owner or leased), household furniture and equipment, utilities, subsistence, and laundry service.

SEC. 2. Rental rates for any Government owned or leased quarters provided under authority of section I of this Act, or occupied on a rental basis under authority of any other provision of law, and charges for any furniture and equipment, utilities, subsistence, and laundry service made available in connection with the occupancy of such quarters, shall be based on the reasonable value thereof to the officer, employee, or member of the uniformed services concerned, in the circumstances under which furnished. Such rates and charges shall be determined in accordance with such regulations as the President may prescribe, and the amounts thereof shall be paid by or deducted from the salary of such officer, employee, or member of the uniformed services, or otherwise charged against them: *Provided*, That the amounts of any payroll deductions for such charges shall remain in the applicable appropriation or fund, but whenever payments are made by any other method the amounts shall be credited to miscellaneous receipts of the Treasury or to such appropriation or fund as may be otherwise provided by law.

SEC. 3. Whenever, as an incidental service in support of a Government program, any Government owned or leased quarters, and any related furniture and equipment, utilities, subsistence, and laundry service are provided, under specific Government direction, to any person who is not an officer or employee of the Government or a member of the uniformed services, the rates and charges therefor, which shall be paid or otherwise credited to the Government, shall be determined in accordance with section 2 of this Act: *Provided*, That the amounts of any such charges shall be credited to miscellaneous receipts of the Treasury or to such appropriation or fund as may be otherwise provided by law.

SEC. 4. No civilian officer, employee, or member of the uniformed services shall be required to occupy Government owned or leased rental quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise.

SEC. 5. Section 2 of this Act shall not be construed as repealing or modifying any provision of law which may authorize the provision, without charge or at specified rates, of any of the items enumerated in section 1 of this Act, to any specific civilian officer or employee, or to any class of such officers or employees, or to such officers or employees under emergency conditions or to members of the uniformed services.

SEC. 6. Section 3 of the Act of March 5, 1928 (45 Stat. 193 (5 U.S.C. 75a)), is repealed.

Passed the Senate January 23, 1964.

Attest:

FELTON M. JOHNSTON, *Secretary.*

## PROPOSED SUBCOMMITTEE AMENDMENT TO S. 1833

That, for the purposes of this Act—

- (1) "Government" means the Government of the United States of America.
- (2) "agency" means—
  - (A) each executive department of the Government;
  - (B) each agency or independent establishment in the executive branch of the Government;
  - (C) each corporation owned or controlled by the Government, except the Tennessee Valley Authority; and
  - (D) the General Accounting Office.
- (3) "employee" means a civilian officer or employee of an agency.
- (4) "United States" means the several States of the United States of America, the District of Columbia, the territories and possessions of the United States, and the Commonwealth of Puerto Rico.
- (5) "quarters" means quarters owned or leased by the Government.
- (6) "facilities" means household furniture and equipment, garage space, utilities, subsistence, and laundry service.
- (7) "member" and "uniformed services" have the meanings given them by section 101 of title 37, United States Code.

SEC. 2. Whenever conditions of employment or of availability of quarters warrant such action, the head of each agency may provide, directly, or by contract, any employee stationed in the United States, with quarters and facilities.

SEC. 3. Rental rates for quarters provided for an employee under section 2 of this Act or occupied on a rental basis by an employee or a member of the uniformed services under any other provision of law, and charges for facilities made available in connection with the occupancy of such quarters, shall be based on the reasonable value of the quarters and facilities to the employee or the member of the uniformed services concerned, in the circumstances under which the quarters and facilities are provided, occupied, or made available. The amounts of such rates and charges shall be paid by, or deducted from the salary of, such employee or member of the uniformed services, or otherwise charged against him in accordance with law. The amounts of payroll deductions for such rates and charges shall remain in the applicable appropriation or fund, but, whenever payment of such rates and charges is made by any other method, the amounts of payment shall be credited to the Government as provided by law.

SEC. 4. Whenever, as an incidental service in support of a program of the Government, any quarters and facilities are provided, by appropriate authority of the Government, to any person other than an employee or a member of the uniformed services, the rates and charges therefor shall be determined in accordance with this Act. The amounts of the payments of such rates and charges shall be credited to the Government as provided by law.

SEC. 5. An employee or a member of the uniformed services shall not be required to occupy quarters on a rental basis unless the head of the agency concerned shall determine that necessary service cannot be rendered, or that property of the Government cannot adequately be protected, otherwise.

SEC. 6. The President may issue regulations governing the provision, occupancy, and availability of quarters and facilities, the determination of rates and charges therefor, and other related matters, as are necessary and appropriate to carry out the provisions of this Act. The head of each agency may prescribe and issue such regulations, not inconsistent with the regulations of the President, as may be necessary and appropriate to carry out the functions of such agency head under this Act.

SEC. 7. Section 3 of this Act shall not be held or considered to repeal or modify any provision of law authorizing the provision of quarters or facilities, either without charge or at rates or charges specifically fixed by law.

SEC. 8. Section 3 of the Act of March 5, 1928 (45 Stat. 193; 5 U.S.C. 75a), is hereby repealed.

SEC. 9. The foregoing provisions of this Act shall become effective on the sixtieth day following the date of enactment of this Act.

Amend the title so as to read: "An Act to authorize Government agencies to provide quarters and facilities to civilian officers and employees of the Government, and for other purposes."

## BACKGROUND AND PURPOSE OF PROPOSED BILL

To authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence and laundry service to civilian officers and employees of the United States, and for other purposes

The bill would not authorize any new construction or other acquisition of quarters for any personnel. It would continue the authority, now covered by the act of March 5, 1928 (5 U.S.C. 75a), to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service for civilian employees. It would also provide the basis for fixing rental rates and related charges for rental housing occupied by members of the uniformed services, but it would not change the existing authority to provide quarters and related items to such members. The bill would also apply in those instances (principally involving certain facilities of the Department of Defense and the Atomic Energy Commission) where non-Government personnel—usually contractors' employees—occupy Government quarters.

Section 3 of the act of March 5, 1928 (5 U.S.C. 75a), is the only existing law of general application to civilian employees with respect to providing quarters and fixing rents. It reads as follows:

"The head of an executive department or independent establishment, where, in his judgment, conditions of employment require it, may continue to furnish civilians employed in the field service with quarters, heat, light, household equipment, subsistence, and laundry service; and appropriations of the character used before March 5, 1928, for such purposes are made available therefor: *Provided*, That the reasonable value of such allowances shall be determined and considered as part of the compensation in fixing the salary rate of such civilians."

This law established the equitable principle that the Government should charge employees the reasonable value of quarters and related items furnished to them. However, it does not by its terms apply to those Government quarters which are occupied by members of the uniformed services on a rental basis, nor to those Government quarters which may be occupied by persons who are not employees of the Government. Moreover, it is not specific enough for agencies to independently administer it with reasonable uniformity since it sets no detailed criteria for establishing rents and it does not expressly provide for Government-wide regulations thereunder. It gives no basis for determining reasonable value; that is, whether based on the commercial rental rates or comparable facilities, on the Government's investment in the quarters, or on other factors.

Considerable variation in the interpretation of this 1928 law, and an evident failure by many agencies to charge their employees with the reasonable value of the quarters, came to the attention of both the Bureau of the Budget and the General Accounting Office about 10 years ago. As a result, the Bureau of the Budget in 1951 issued its Circular No. A-45, which established certain procedures intended to make the various agency practices uniform and more equitable to both the Government and the employees concerned. This circular prescribed, as the basic criterion for determining reasonable value for rental purposes, that rents should be set at levels similar to those prevailing for comparable private housing located in the same area, after taking into account certain considerations which affect the value of the housing to the recipient, such as isolated location, and instances where an employee might, for the convenience of the Government, have to accept quarters of a size or quality beyond that which he would choose of his own accord. The proposed bill would provide statutory authority for regulations of the type now prescribed by the Bureau of the Budget circular. The procedure contemplated by this bill is similar to that provided in other statutes dealing with employee allowances and benefits, such as the Travel Expense Act of 1949, as amended (5 U.S.C. 835-842), and the Government Employees Training Act (5 U.S.C. 2301 et seq.).

Since 1928, several other laws have been enacted which authorize rental of quarters to Government personnel. The act of July 2, 1945, as amended (37 U.S.C. 111a), authorized the occupancy of certain quarters on a rental basis by members of the uniformed services who are authorized to continue to receive their basic allowances for quarters. Sections 404(f) and 405 of the act of August 11, 1955, as amended (42 U.S.C. 1594a(f) and 1594b), authorized the occupancy by civilian personnel, on a rental basis, of Capehart housing and Wherry housing acquired by the Government, and occupancy of some Wherry housing by military personnel on that basis. These provisions of law did not

specify how the rental rates were to be determined, and the draft bill would provide a basis for such determinations.

Section 407 (a) of the act of August 20, 1957 (42 U.S.C. 1594j), authorizes the rental of inadequate public quarters to members of the uniformed services, and provides that such personnel will be paid an adjusted quarters allowance amounting to the net difference between (1) the fair rental value of the inadequate quarters, and (2) their basic allowance for quarters. The section provides that it shall be administered under regulations approved by the President. These regulations have been issued by the heads of the departments concerned, after approval by the Director of the Bureau of the Budget, under a delegation of authority from the President in Executive Order No. 10766, dated May 1, 1958. In addition to setting standards of adequacy, these regulations prescribe methods of setting "fair rental value" on the same basis as required by Budget Circular No. A-45. The bill would permit these housing rentals to be fixed under the proposed Government-wide regulations which the President would be authorized to prescribe.

The bill would also permit the President to issue regulations to provide a similar basis for the determination of charges for household furniture and equipment, utilities, subsistence, and laundry service, where such items are authorized to be supplied by the Government.

The draft bill also contains a prohibition against employees being required to occupy Government rental quarters unless a determination has been made that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise. Such a prohibition has appeared in annual appropriation act provisions in recent years.

Mr. OLSEN. We will call as the first witness Mr. Carl Tiller of the Bureau of the Budget, Office of Budget Review.

Mr. Tiller, if it is agreeable with you, we will put your statement in full in the record.

PREPARED STATEMENT OF CARL W. TILLER, OFFICE OF BUDGET REVIEW, BUREAU OF THE BUDGET

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before you to discuss S. 1833, a bill to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes.

The bill you are considering today is one which was first proposed by the Bureau of the Budget in 1960 for the purpose of perfecting the existing law which authorizes the Government to provide its employees with quarters and related facilities where this is necessary, and to make reasonable charges for the quarters and facilities it does provide.

A bill for this purpose—S. 3486, 86th Congress—was passed by the Senate on June 14, 1960. It did not get House action before that Congress adjourned. In the 87th Congress, the House passed such a bill on August 21, 1961 (then H.R. 7021), but the Senate did not act on it.

This current version, which differs from the earlier bills in minor respects which I will touch upon in a moment, was passed by the Senate on January 23 of this year. We are therefore most pleased that your subcommittee is giving consideration to the bill. It is our hope that we will see favorable action completed in this session.

While this legislation might be regarded by some as merely a "housekeeping" measure, it is nonetheless rather important housekeeping. The rents and other charges being made for quarters and other services necessarily provided in support of Government programs are in the range of \$65 million to \$75 million annually. The equitable administration of these charges throughout the Government has been a matter of concern not only to us, but to the General Accounting Office, as well. The matter of inadequate or inequitable charges has been a subject of several audit reports by the Comptroller General in recent years. This bill will provide a sound basis in clearly stated law to better enable the executive branch to administer the principle of equitable charges.

The present law sets the standard of "reasonable value" for determining the rental rates, but leaves open to varying interpretations the meaning of those words. The Bureau of the Budget some years ago issued its Circular No. A-45

to provide a basis for interpreting those words. We believe that reasonable value is normally to be measured by the test of comparability—what the employee would pay for comparable quarters on the open market. The rates should be fair to both the employee and the Government, and should also maintain fairness between the employee in Government quarters and the employee who is in private quarters. The proposed bill more directly fills the need for providing an authoritative interpretation of the law by authorizing the President to issue regulations as appropriate.

The bill would modernize the wording of the 1928 law. For example, the present law states that the value of the facilities and services being provided is to be considered in fixing the employee's salary rate. Actually the salary rate and earnings are not affected by the rentals, but the value of the rental is deducted from earnings in arriving at take-home pay. This would be cleared up by the bill under consideration.

Another kind of situation is overlooked in existing law. It does not specifically cover the case of employees of Government contractors occupying Government quarters or being furnished electricity and other facilities and services. We believe the same principle as is applicable to Government employees is applicable in such cases. Similar problems of lack of clarity sometimes exist when members of the uniformed services occupy Government-provided rental quarters instead of "public quarters" or their own privately obtained housing.

Another gap in the present law relates to a matter on which the Congress took a very clear position, but which is not in permanent law. Appropriation acts for 1956 through 1959 carried language to limit the circumstances under which the head of a department or agency could require employees to occupy Government housing.

The specific wording last appeared as a part of section 208 of the appropriations act general provisions (Public Law 85-468), as follows: "*Provided further*, That, notwithstanding the provisions of any other law, no officer or employee shall be required to occupy any Government-owned quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise."

Section 208 was dropped on recommendation of the executive branch in the 1960 appropriation acts. The Director of the Budget reported to the Congress at that time (January 30, 1959) that "legislation will be proposed to Congress shortly to clarify the basic laws on this subject and to provide specifically and on a permanent basis" for the issuance of regulations to continue the existing policy. This bill would accomplish that. The protection afforded the employee by the quoted provision would again be placed in the law.

The bill would not otherwise create any new policy, nor would it modify any provisions of law that the Congress has consistently demonstrated it intends to apply. For example, it retains, and even reinforces, the principle that a reasonable value would be placed upon the quarters, facilities, or services which the Government provides, and that reasonable charges would be made to those who receive them. The system of providing public quarters to members of the uniformed services, or allowances provided in lieu of public quarters, would not be changed. The laws authorizing quarters and related services to be provided without charge in foreign countries would remain as they are.

I referred earlier to the changes that appear in S. 1833, as passed in the Senate this year in comparison with the version passed by the House during the sessions of the 87th Congress. There are two of these: Wording has been added in consultation with the General Accounting Office, for the purpose of making certain that the disposition of the proceeds of rents and other charges would not be inadvertently modified. Budgets of the various agencies contemplate a continuation of the present disposition of the receipts. The second change was brought about by the passage of the Overseas Differentials and Allowances Act of September 6, 1960 (5 U.S.C. 3032). That law covered the authority for providing quarters in the Trust Territory of the Pacific, enabling us to remove the reference to the territory as it appeared in the old H.R. 7021.

One final matter. The committee staff has made available to us a committee print dated May 27 which would recast the bill in a style that conforms more closely with that used in other recent legislation. We believe the committee print is an improvement on our earlier version, with one exception. The new draft would remove the Tennessee Valley Authority from coverage of this legislation. We do not believe there is a sound basis for excepting one agency from such Government-wide legislation. We were informed of the TVA's belief

that they have sufficient authority now in this area and that there is no need for their inclusion in this bill. However, we have been unable to learn of any harm that would come to them by their inclusion. In our judgment, Government-wide legislation ought to provide exceptions only where fully justified.

We would be concerned about the rewrite of the bill if it causes further delay in the Senate, which has already passed the bill this year. We have not had any difficulty with the bill since we first proposed it, except for the always crowded calendar. You, of course, are better judges than we of the likelihood of additional Senate action this year. We urge that S. 1833 be favorably considered, either in its original form or its amended form, but we are anxious to obtain enactment this year.

Mr. TILLER. The bill you are considering today was first proposed by the Bureau of the Budget in 1960. It was passed by the Senate that year, but the House did not get to act on it in that Congress. In the succeeding Congress, the House passed a similar bill, but the Senate did not get to act on it. This year, the Senate passed the bill and it is now before the House and your subcommittee for action.

Mr. WALLHAUSER. With this lack of enactments, what is the status of the authority you ask for?

Mr. TILLER. We are not really asking basically for new authority, but to clarify a number of old existing statutes.

There is one provision in the bill which is not presently in the law. It is one on which I think other witnesses will also be testifying that would reenact a provision contained in appropriation acts for 4 successive years. It is a provision that—

no officer or employee shall be required to occupy any Government-owned quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise.

This provision was dropped from the appropriation acts after the 1959 act on the premise that we would get permanent legislation of the type we are seeking. Therefore, the enactment of this bill will put that provision back into the law. Otherwise, the enactment of the bill will primarily serve to clarify existing law and fill in some gaps, but it will not make any significant change in policy.

Mr. WALLHAUSER. Supposing now you brief for us what the legislation proposes to do.

Mr. TILLER. The proposed legislation will clarify and restate the law pertaining to the provision of quarters and related services for employees which was last contained in a 1928 statute, which is somewhat out of date. The 1928 statute, for example, says that the value of the facilities and services will be considered in fixing the employee's salary rate, which is a rather old-fashioned way of saying it. Now we would say the salary is determined in accordance with the normal compensation laws and the value of the quarters will be deducted from his salary in arriving at take-home pay.

The bill will clarify the applicability of the same principle. When Government provides others with quarters, where necessary, it can charge a reasonable value. This applies in the case of employees of Government contractors who occupy Government quarters at construction sites and other operating situations.

The bill will also provide in the case of quarters occupied by military personnel on a rental basis that the same basic principle of reasonable value will be applied. In all of these cases, we will construe "reasonable value" to mean that the employee should pay through

salary deduction, or otherwise, approximately the same amount as he would pay if he were obtaining quarters privately instead of from the Government. We ought not to make a profit at his expense. He ought not to be subsidized by us. It is also fair as between employees who occupy Government quarters and those who must occupy private quarters. The person in Government quarters ought neither to be charged more than he would pay otherwise, nor should he come off with a better result than the employee who is in nongovernment quarters.

We believe the bill, therefore, will provide a clear statutory basis for providing quarters and for making charges.

One other aspect I should mention is that the bill would authorize the President to issue regulations for the interpretation and enforcement of the principles. This, of course, is similar to provisions contained in the laws pertaining to travel, those pertaining to employee uniforms and a good many other subjects where it is desirable to have Government-wide regulations to provide further interpretation and application of the principle which Congress places in the statute.

The committee staff has furnished us with a committee print showing a possible redrafting of the bill to place the language in a format which more nearly resembles the format now often used for bills of this type. We believe that the committee print is an improvement on our earlier version, with one exception. The new draft would remove the Tennessee Valley Authority from coverage by this legislation. We do not believe there is a sound basis for excepting one agency from such Government-wide legislation. In our judgment, legislation of this type ought to provide exceptions only where they are fully justified.

We would be concerned about the rewrite of the bill if it causes further delay in the Senate, which has already passed the bill this year. We have not had any difficulty with the bill since it was first proposed several years ago except for the always crowded calendar.

You, of course, are better judges than we of the likelihood of additional Senate action this year.

In conclusion, we urge that S. 1833 be favorably considered, either in its original form, or in the amended form suggested by the committee staff, but we are anxious to obtain enactment this year.

Mr. WALLHAUSER. Thank you very much.

Mr. OLSEN. We will now hear from Mr. John A. McCart.

#### **STATEMENT OF JOHN A. McCART, ON BEHALF OF GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO**

Mr. McCART. Mr. Chairman and members of the subcommittee, the Government Employees' Council, representing 27 unions with membership in Federal agencies, desires to express its endorsement of the measure, which is the subject of this hearing.

The primary purposes of the proposal is to perfect and clarify existing laws governing provision of rental quarters, furniture, utilities, subsistence, laundry service, and related services to civilian employees.

Section 4 of S. 1833 is the primary point of interest of our council. It provides that no employee will be required to occupy federally owned or leased quarters, unless the head of an agency determines

that necessary service will be impaired or property cannot be adequately protected.

Similar language appeared in the Supplemental Appropriations Acts of 1953 and 1955. It was incorporated in the General Government Matters Appropriations Acts from 1956 through 1959 also. However, it was not included in the 1960 or 1961 statutes. The Budget Bureau felt agencies were complying well with is Circular No. A-45 governing charges to employees for quarters and other services. Circular No. A-45 contained no reference to the controlling language, which appeared in the earlier appropriations statutes.

During this period when no statutory safeguard existed against forcing employees to occupy Government quarters, workers were required to use military barracks. While there was nothing inherently wrong with the fact that the facilities were military, they were used also by military personnel. Many were in transit from one base to another or were arriving and departing for induction, discharge, or other missions. As a result, the civilian employees were unable to secure the rest necessary to carry on their assigned duties. Despite the fact that the employees objected to such assignments, their jobs required travel to service highly complex radio, radar, and related equipment. They were confronted with a "take it or leave it" attitude.

Prior to these events, the employees involved were permitted to use motels or hotels in the vicinity, and were allowed the regular per diem rate applicable under the travel laws and regulations.

Apparently, the requirement to use military facilities was motivated by a desire to reduce the amount of money spent for civilian travel. Viewed from this standpoint, the funds were conserved at the expense of the civilian workers.

There has been no repetition of these incidents in the recent past. Yet, the fact that they occurred just a few years ago when the controlling language in the appropriation statutes and regulations was temporarily omitted leads to the inescapable conclusion that the policy enunciated in section 4 is essential to safeguard the equities of both military and civilian personnel.

These factors lead us to request favorable action on S. 1833 and to recommend especially retention of section 4 as it now appears in the bill.

The cooperation of the subcommittee in arranging this opportunity to offer our comments is deeply appreciated.

Mr. OLSEN. We will now hear from Mr. George Meagher.

#### **STATEMENT OF GEORGE MEAGHER, ON BEHALF OF THE AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES**

Mr. MEAGHER. Mr. Chairman and members of the subcommittee, the bill S. 1833 would correct a situation that has caused inconvenience and hardship for many Federal employees. The change in Government policy it would bring about with respect to provision of quarters for civilian employees of the Federal Government is needed. The AFGE indorses the bill for the inequities it would correct and for the reason that it would benefit the Government as well through increased efficiency.

Many employees who must travel a great deal in the regular performance of their duties are required to occupy Government-owned

or Government-leased quarters. This is true particularly of persons employed by the military departments. Often, such occupancy is intended as an economy measure. In fact, any possible economy is outweighed by the disadvantages on many occasions of the requirement to occupy such quarters under conditions which are not conducive to efficient performance.

It is believed that the bill commends itself for early action by Congress because (1) it would place the use of Government quarters by civilian Federal employees on a more equitable basis; and (2) in separate sessions of Congress essentially the same measure has been approved by both Houses. A similar bill was passed by the Senate in 1960. Complete approval failed because Congress adjourned before the House acted. In 1961, the House passed an almost identical measure but the Senate had not acted before adjournment.

Our approval is given the bill because it would reinstate existing authority to provide rental housing for civilian employees, but particularly because it would reinstate a statutory barrier against forced occupancy of Government rental housing. This prohibition was carried for some years in appropriation acts. It was not so included in recent years in anticipation of permanent legislation such as S. 1833. The language of this bill was contained in the General Government Matters Appropriation Acts for the fiscal years 1956 to 1959, inclusive. It was omitted in 1960 and 1961.

The bill is desirable because it would permit the President to issue regulations to provide a basis for determination of charges for household furniture and equipment, utilities, subsistence, and laundry service, where such items are authorized to be supplied by the Government.

Because of variation in the interpretation of the basic act of March 5, 1928, and to make certain that reasonable value of quarters was charged employees, the Bureau of the Budget in 1951 issued Circular No. A-45 which established certain procedures to make agency practices more uniform and more equitable to both the Government and employees affected. The basic criterion for determining reasonable value for rental purposes was that rents should be comparable to private housing in the same area.

Some of the use of quarters provided by the Government involves highly skilled workers who install and maintain strategically located electronic devices which have a vital function in the program for national defense. There is often little alternative for an employee but to stay in Government quarters, but there are many occasions an employee could obtain satisfactory or more desirable quarters at a nearby motel if it were not for a policy which required him to accept Government accommodations.

Because of the irregular timing of their shifts, these men on electronic maintenance duty are frequently working at the time meals are scheduled by the mess facility where they are quartered. As a result, they cannot eat there. In the case of civilian Air Force employees, there have been instances of inconvenience and hardship when lodged in a barracks or in bachelor officers' quarters. They were awakened frequently during the night as soldiers or flying officers enter or leave the building.

Some of our members have informed our national office that assigned quarters were in many cases inadequate and that heating was often insufficient or badly controlled, and that it was not unusual that only

one bath was available on each floor for the use of all residents on that floor.

Policy with respect to quarters is not uniform throughout the Government service. Even where there is no hard-and-fast rule that Government quarters must be used, there are consequences which later do not redound to the benefit of an employee who refuses to utilize them.

The general policy of the Air Force, for example, is that when an employee travels to a base where quarters are available, unless he is there for training, there is no compulsion to live in Government quarters. Their use is preferred by the agency, but it is not mandatory and no direct punitive action will be taken if an employee exercises his preference for commercially available accommodations.

Note the fact that there will be no "direct" punitive action taken. The fact is, however, that it does the employee no good to decline the quarters at the base, because he is not likely to be sent on a similar mission in the future which in time can well react unfavorably on his work status. It is common practice to call for volunteers and to require employees to indicate in advance their willingness to live in Government quarters if they are available.

A recent Air Force survey indicated that 42 percent of civilian travel had for its destination a base where quarters were available. Sampling was made of nearly 300 travel vouchers at 12 Air Force bases—3 each in 4 principal commands—during a period of 2 to 4 weeks. The average trip was shown to be 6½ days and the average distance varied from about 400 miles by privately owned automobile to about 800 miles if the trip was made by airplane.

It would appear that there is a considerable amount of travel that extends over a week or more. Quarters assume more importance when it is a matter of staying for several days rather than for only one night. Some employees have found the quarters available unsatisfactory largely because so often they are not adapted to extend occupancy.

One letter received at our national headquarters indicated the dissatisfaction of a civilian required to be quartered at a military base:

In many instances, Government quarters are used primarily for military. Civilians must take what is left or second best. We, as civilians, are as loyal and as vitally interested in the welfare of our country as the military; therefore, why discriminate?

Many men are required to make trips that extend as long as 180 days. Inasmuch as these employees spend so much time away from their homes and families, it does seem unfair to penalize them by a mandatory directive to live on base when on temporary duty. Not only must they undergo inconvenience, but also cope with the possibility of lowered efficiency resulting from interruption of their sleep at night and other unsuitable living conditions.

We are convinced that the provisions of S. 1833 should be enacted as permanent legislation. There appears to be no opposition in the executive branch, and on more than one occasion similar proposals were indorsed by the Bureau of the Budget and by the Comptroller General.

Thank you, Mr. Chairman, for giving us an opportunity to express our views.

Mr. OLSEN. Are you in favor of the bill?

Mr. MEAGHER. Yes, sir.

Mr. OLSEN. The AFGE endorses the bill?

Mr. MEAGHER. Yes. We are in favor of this provision which does not require Federal employees to use Government quarters. That provision is in the bill. The committee staff is familiar with some of the stories we have told about Federal employees who have been in this Government housing, particularly in the Air Force. There is the story of some of our members who were on TDY at an Air Force base. They were required to go into bachelor officers' quarters, which was a converted barracks with a partition. Our people went in at 9 or 10 o'clock at night and were sound asleep when in would come the flying officers about 1 or 2 in the morning who, because of their missions, obviously would arrive late. In walking into the quarters with their helmets and flight gear, dropping it around, a few bouncing their helmets off the wall, our people got a little upset and we had a regular donnybrook.

These are the kinds of situations that develop when these fellows are required to stay in quarters which they feel may not be adequate, particularly for short trips of a week or so.

Mr. OLSEN. Thank you very much.

We will now hear from Mr. William H. Ryan.

#### STATEMENT OF WILLIAM H. RYAN, PRESIDENT, INTERNATIONAL ASSOCIATION OF MACHINISTS, DISTRICT 44

Mr. RYAN. Mr. Chairman and members of the subcommittee, my name is William H. Ryan, and I am president and legislative representative of District 44 of the International Association of Machinists, AFL-CIO; with offices located in suite 811 in the Railway Labor Building, 400 First Street NW., Washington, D.C.

District 44 of the I. A. of M. is composed of affiliated locals of the I. A. of M. whose members are employed by the local activities of various agencies and departments of the Federal Government.

I deeply appreciate the opportunity afforded by this subcommittee to testify in favor of the enactment of the language contained in section 4 of S. 1833.

The language of section 4 is quoted as follows: "No civilian officer, employee, or member of the uniformed services shall be required to occupy Government-owned or leased rental quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise."

With the exception of the language "-or member of the uniformed services"; this language first appeared in section 1413 of the Supplemental Appropriation Act of 1953; and was later carried in section 1312 of the Supplemental Appropriation Act of 1955; and section 208 of the General Government Matters Appropriation Acts of 1956, 1957, 1958 and 1959.

The language was not contained in the General Government Matters Appropriation Acts of 1960 or 1961; because in the opinion of the Bureau of the Budget, the affected agencies at that time were in general compliance with certain other requirements which were contained in Bureau of Budget Circular A-45, dated June 3, 1952.

The language that I am testifying in favor of did not appear in Bureau of Budget Circular No. A-45.

Commencing in 1960, many of our Federal employee members who are skilled technicians and mechanics in the Federal civil service,

while on temporary field trips to service and repair aircraft, missiles and launching mechanisms located at remote military bases were required to occupy substandard living quarters at these bases.

They were, in many instances, required to sleep in barracks billeted by military personnel who were in terminal status en route to other military bases, or being inducted or discharged from the military service. Because of the irregular hours kept by these military personnel, these highly skilled technicians and mechanics were unable to secure sufficient uninterrupted rest and sleep to condition themselves for a day of efficient and exacting work the following day.

Their living conditions at these Government-owned quarters were such that many of them wanted to either resign, or request that they not be given such temporary assignments away from home if they were to be required to utilize such quarters, even on a temporary basis.

It has been the practice when this language was incorporated in the aforementioned appropriation acts to let these skilled technicians and mechanics reside in hotels or motels in the close proximity of the area of their assignment. The standard Government limitation of per diem was operative for this purpose.

Our organization can appreciate that at times the Government agencies may not have the amount of travel funds that they desire; however, we take serious issue with any decision which would jeopardize the living conditions of technicians and mechanics who perform skilled work which directly bears upon the safety of members of our military forces, and the security of our Nation. I feel certain that the members of this subcommittee would not condone an overzealous administrative officer allocating travel per diem funds to favored categories of civilians at the expense of those whose exacting duties require normal uninterrupted rest and sleep.

Early in 1961 when our organization protested the requirement that civilian personnel be required to utilize Government quarters to the Secretary of the Air Force, he wisely agreed, upon investigation of all pertinent facts, that the policy of the Air Force should correlate with the intent and purpose of the language that I am supporting here today.

It is our contention that the Congress and the administrative branch should enact into law the language contained in section 4 of S. 1833; so that administrators will not be permitted to require civilian officers and employees of the United States to occupy Government quarters unless the head of the agency concerned has determined that the necessary service cannot be rendered, or that property of the United States cannot be adequately protected, unless such occupancy is required.

I wish at this time to express the appreciation of our organization for the opportunity to testify on this matter, and I respectfully request in the name of our organization that this language be favorably reported to the House of Representatives.

I shall be pleased to answer any questions that I am qualified to respond to. Thank you.

Mr. WALLHAUSER. I have no questions.

Thank you for appearing, Mr. Ryan.

Mr. OLSEN. Thank you very much, Mr. Ryan.

That concludes the general session.

(Whereupon, at 10 a.m., the subcommittee adjourned.)



