



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
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WASHINGTON, DC 20374-5065

IN REPLY REFER TO
ACQ 021
18 Nov 99

MEMORANDUM FOR NAVFAC ACQUISITION PERSONNEL

Subj: CLASS DEVIATION--MAXIMUM PER DIEM RATES UNDER THE FEDERAL TRAVEL REGULATIONS (FTR) (99-42)

Ref: (a) NAVFAC Policy Memorandum of 28 Jan 99 (99-05)

Encl: (1) OASN (RD&A) ABM memo of 4 Oct 99

1. Enclosure (1) is furnished for your information and action, as appropriate.
2. This class deviation supersedes the class deviation provided by reference (a) and will remain effective through September 30, 2000, or until the FAR is revised, whichever occurs first.

A handwritten signature in black ink, appearing to read "Michael F. Howard".

MICHAEL F. HOWARD
Director, Strategic Management/
Community Management Section

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ASN-RDA:
[1999] [98] [97] [96]
OSD + Other:
[97] [96]

DAR Tracking Number:
99-00013

4 October 1999

MEMORANDUM FOR DISTRIBUTION

Subj: CLASS DEVIATION FROM FEDERAL ACQUISITION
REGULATION (FAR) 31.205-46(a)(2)(i), MAXIMUM PER DIEM
RATES UNDER THE FEDERAL TRAVEL REGULATIONS (FTR)

Encl: (1)  [DP\(DAR\) memo dtd 16 September 1999](#)

Ref: (a) OASN (RD&A) ABM Memo dtd 12 Jan 1999

Enclosure (1) is forwarded for your information and immediate implementation, as appropriate. It supersedes the class deviation forwarded by enclosure (1) of reference (a) and provides notification that the subject class deviation is effective immediately.

This class deviation is effective through September 30, 2000, or until the FAR is revised, whichever occurs first.



Paul P. Buonaccorsi
Executive Director
Acquisition & Business
Management

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OFFICE OF THE UNDER SECRETARY OF DEFENSE

**3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000**

**ACQUISITION AND
TECHNOLOGY**

DP (DAR)

September 16, 1999

In reply refer to
DAR Tracking Number: 99-00013

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN (RD&A) / ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
EXECUTIVE DIRECTOR FOR PROCUREMENT MANAGEMENT (DLSC/DLA)

SUBJECT: Class Deviation from Federal Acquisition Regulation (FAR)
31.205-46(a)(2)(i), Maximum Per Diem Rates Under the
Federal Travel Regulations (FTR)

This supersedes the class deviation issued on December 23, 1998, under DAR Tracking Number 98-00014, Subject: Class Deviation from Federal Acquisition Regulation (FAR) 31.205-46(a)(2)(i), Maximum Per Diem Rates Under the Federal Travel Regulations (FTR).

I authorize all Department of Defense contracting activities to deviate from the requirements of FAR 31.205-46(a)(2)(i). Defense contractors may choose to satisfy the limitation on allowable travel costs by continuing to use the FTR maximum per diem rates and the definitions of lodging, meals, and incidental expenses in effect on December 31, 1998, or the current FTR rates and definitions.

FAR 31.205-46(a)(2) limits allowable costs for contractor employee lodging, meals, and incidental expenses to the maximum per diem rates in effect at the time of travel set forth in the FTR; the Joint Travel Regulation, Volume 2, DoD Civilian Personnel, Appendix A; or the Standardized Regulations (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances for Foreign Areas."

On December 2, 1998, the General Services Administration issued a final rule that significantly changed how the FTR maximum per diem rate limitations are computed, including extracting lodging taxes from the per diem rates and allowing payment of lodging taxes as a



miscellaneous expense instead. The revised FTR rule went into effect on January 1, 1999.

I am concerned that defense contractors may encounter a significant administrative burden and incur substantial costs in modifying their systems to comply with this new rule. At the same time, the Federal agencies are considering a FAR change to remove these maximum per diem rate limitations. Therefore, I am authorizing a class deviation to permit the use of either the FTR rates and definitions effective on December 31, 1998, or the current FTR rates and definitions.

This class deviation is effective through September 30, 2000, or until the FAR is revised, whichever occurs first.



Eleanor R. Spector
Director, Defense Procurement

cc: DSMC, Ft. Belvoir