Legal Cost Reduction
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Federal Court Finds That an Attorney should be Compensated for Time Spent Traveling at a Lower Rate than His or Her Typical Hourly Rate

A reoccurring legal billing issue is whether an attorney may bill his or her normal hourly rate for time spent traveling for a client. The courts have come to different conclusions on this issue in various jurisdictions.

In a recent case, a Federal District Court found that attorneys should be compensated for travel time at a reduced hourly rate rather than allowing them to charge for the full amount. The court reasoned that time spent merely traveling to a location for the purpose of representing a client is less productive than time spent performing regular substantive attorney work. As a result, an attorney should not charge his or her full hourly rate for travel time that is spent less productively. Although the court did not state how much an attorney's rate should be reduced for time spent traveling, it did refer to cases which called for reductions ranging from one-third to one-half of an attorney's normal hourly rate.

Implications for Legal Billing: The issue addresses whether attorneys may receive their full hourly rates for time spent in travel, or if they must be more productive with their time in order to earn the rate that they charge. An attorney's fee should not be measured solely by the time spent working for the client, but instead those rates should also reflect the productivity of the tasks performed by

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that attorney. Thus, it makes sense that an attorney should not be compensated at his or her full hourly rate for time spent merely traveling. But, while attorneys should only be compensated for one-half of their hourly rate for time spent traveling, they can increase productivity and earn their full hourly rates by performing substantive work for that client during their trip. However, this should not apply where an attorney performs substantive work for one client while traveling for a second client since this would unjustly allow the attorney to charge each client for the same period of time.

* Automobile Club of New York v. Dykstra, 2010 WL 3529235 (S.D.N.Y. 2010). Full copies of court decisions may be available through counsel or through various Internet links or paid services.

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