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A major portion of Federal travel costs involves Federal employees' travel on commercial airlines. In fiscal year 1976, for example, the Federal Government spent at least \$470 million on airline fares alone and incurred high administrative costs for travel as well. The methods used to make airline reservations, obtain tickets, and pay for them vary by department and agency. Such discounts as excursion, group, and off-peak air fares, which are readily available and would not interfere with agency business, frequently are not used.

Findings/Conclusions: Although Federal travel regulations require use of lowest available air fares, most employees who qualify for discount fares generally do not obtain them. Most Federal agencies do not keep accounting records of discounts taken, analyze reasons why discounts are not taken, or regularly monitor travel expenditures to make sure that discount fares are used. Greater group fare use would be possible if the General Services Administration (GSA) would make and pay for, on a reimbursable basis, Federal group reservations for routine flights. The proper use of teleticket machines, which electronically produce airline tickets, would reduce the Government's cost of procuring airline tickets, processing unused tickets for refunds, and auditing travel expenditures. The Federal Government could save at least \$145,000 annually if agencies would purchase rather than lease the 172 teleticket machines now in use. Many agencies waited months before requesting refunds for unused tickets and could not determine whether the amount of refunds received was correct.

Recommendations: The heads of departments and agencies should: review the use of airline discount fares and inform employees of the potential for savings, establish adequate accounting for

savings on discounts taken and procedures for analyzing explanations for not taking discounts, and evaluate audit priorities and staff resources to determine the need for periodic internal audits of the use of discount fares. The administrator of GSA should: regularly inform Federal agencies of discount air fares available, determine the feasibility of establishing a system for consolidating Federal travel reservations, evaluate the feasibility of providing assistance to agencies sponsoring multiagency conferences by making group fare reservations, amend guidelines and bulletins to include information on sharing teleticket machines, and direct each regional office to survey machine use in its region and work to increase the use of teleticket machines. (FES)

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BY THE COMPTROLLER GENERAL

# Report To The Congress

OF THE UNITED STATES

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## Use Of Discount Airline Fares And Teleticketing Would Help Save On Government Travel Expenses

Federal employees frequently have not obtained available discount airline fares because the General Services Administration and other Federal agencies have inadequate financial controls and oversight of agency travel. As a result, millions of dollars have been spent unnecessarily on commercial air travel.

Agencies could also save on travel personnel and administrative costs by using teleticket machines more effectively and by purchasing rather than leasing them. Costs would be reduced in procuring airline tickets, processing unused tickets for refunds, and auditing travel expenditures by the General Services Administration.





COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-103315

To the President of the Senate and the  
Speaker of the House of Representatives

This report summarizes the results of our review of financial and administrative controls used by Federal agencies to ensure that employee air-travel costs are minimized. It shows that Federal agencies annually have spent millions of dollars unnecessarily to provide their employees with commercial air travel.

We reviewed controls over air-travel costs to determine their adequacy in view of the substantial amount spent annually on air travel by Federal agencies. This review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Because of the Government-wide application of matters and recommendations contained in this report, we are sending copies to the Administrator of General Services and to the heads of all other Federal departments and agencies as well.

A handwritten signature in black ink, appearing to read "Thomas R. Staite".

Comptroller General  
of the United States

COMPTROLLER GENERAL'S  
REPORT TO THE CONGRESS

USE OF DISCOUNT AIRLINE FARES  
AND TELETICKETING WOULD HELP  
SAVE ON GOVERNMENT TRAVEL  
EXPENSES

D I G E S T

Federal employees traveling on Government business frequently have not taken advantage of available discount airline fares. As a result, millions of dollars have been spent unnecessarily on commercial air travel.

Federal agencies should take advantage of other ways to save on travel personnel and administrative costs by using teleticket machines more effectively and by purchasing rather than leasing them. Their use can reduce costs of procuring airline tickets, processing unused tickets for refunds, and auditing travel expenditures.

GOVERNMENT TRAVELERS COULD MAKE  
INCREASED USE OF DISCOUNT AIRLINE FARES

Although Federal travel regulations require use of lowest available air fares, most employees, who qualify for discount fares, generally do not obtain them. At least \$470 million is spent annually for air travel, but Federal agencies do not

- keep accounting records of discounts taken,
- analyze reasons for discounts not taken, or
- regularly monitor travel expenditures to make sure that discount fares are used.

Consequently, such discounts as excursion, group, and off-peak air fares, which are readily available and would not interfere with agency business, frequently are not used.

Increased use of excursion fares offers immediate and substantial savings to civilian

and Department of Defense agencies. For example, Federal Aviation Administration employees attending centralized training courses in Oklahoma usually qualify for these fares, but few employees obtain them. Consequently, as much as \$312,000 was spent unnecessarily on training-related travel during 1976. In Defense, military reserve trainees annually attend 2-week training sessions. Many travel to training sites via commercial airlines and could qualify for excursion fares, but few use the fare. For example, more than \$230,000 was unnecessarily spent because trainees ordered to classes from one location did not use excursion fares. (See p. 6.)

Use of group fares also offers immediate and substantial savings to Federal departments and agencies. The Environmental Protection Agency sent 19 employees from Denver to Salt Lake City to attend a conference in February 1977. Although 10 passengers traveled together to Salt Lake City and 7 others traveled separately on the same day, they did not use the available group fare. A total of \$357 could have been saved. (See p. 8.)

Even greater group fare use would be possible if the General Services Administration (GSA) would make and pay for, on a reimbursable basis, Federal group reservations for routine flights. For example, GAO found that a sufficient number of Federal employees flew on selected flights from Denver to eight different cities during a 1-week period to qualify for group fares. If the group discount fares had been obtained, the Government would have saved \$5,900. If this week is representative, the Government loses over \$306,000 annually on flights from Denver, Colorado. (See p. 9.)

Employees taking early morning or late evening flights may qualify for off-peak fares, but often do not request and obtain them. Failure to use these fares from

Denver to Salt Lake City resulted in losses of about \$107,000 during 1977. (See p. 11.)

#### RECOMMENDATIONS

The heads of departments and agencies should

- review the use of airline discount fares and inform employees of the potential for savings,
- establish, in agency travel organizations, adequate accounting for savings on discounts taken and procedures for recording and analyzing explanations for not taking discounts, and
- evaluate audit priorities and staff resources to determine the need for periodic internal audits of the use of discount fares.

The Administrator of General Services should

- regularly inform Federal agencies of discount air fares available between commonly traveled locations,
- determine the feasibility of establishing a system for consolidating Federal traveler reservations in cities when there is substantial travel by Federal employees, and
- evaluate the feasibility of providing assistance to agencies sponsoring multi-agency conferences by making and paying for, on a reimbursable basis, group fare reservations for attendees.

#### INCREASED USE OF TELETICKET MACHINES COULD REDUCE COSTS

Teleticket machines electronically produce airline tickets. Their proper use can reduce the Government's costs of

- procuring airline tickets,
- processing unused tickets for refunds, and

--auditing travel expenditures by GSA.

The administrative costs associated with the procurement, payment, reimbursement, and audit of air carrier tickets could be reduced by about \$5 a ticket if agencies followed established procedures for using teleticket machines. (See p. 18.)

Many agency officials were unfamiliar with teleticket equipment or its potential benefits. For example, because the Department of Labor in Washington, D.C., did not require the use of its teleticket machines, thousands of Government transportation requests were unnecessarily processed. (See pp. 19 and 20.)

Many agencies also could benefit from joint use of teleticket machines.

--The Postal Inspection Service in Atlanta did not know that it could share the United States Postal Service's teleticket machine which is in the same building.

--The Department of Labor attempted to obtain a teleticket machine in Denver, although the Job Corps, an agency of Labor, already had a machine in the same building.  
(See p. 22.)

### RECOMMENDATIONS

The heads of all departments and agencies should provide their regional offices with GSA and agency guidelines and procedures to implement teleticket machine use.

The Administrator of General Services should

--amend GSA guidelines and bulletins to include information on sharing teleticket machines,

--direct each GSA regional office to survey machine use in its region for compliance with GSA guidelines, and



--direct each GSA regional office to work with agencies to increase use of teleticket machines.

NEED TO EXPEDITE REFUNDS  
FOR UNUSED TICKETS

Many agencies GAO visited waited months before requesting refunds for unused tickets and could not determine whether the amount of refunds received was correct. (See p. 21.)

RECOMMENDATION

The heads of all departments and agencies should make sure that ticket refund requests are timely and that adequate control over the amount of refunds is established.

PURCHASE IN LIEU OF LEASING TELETICKET  
MACHINES COULD BE MORE ECONOMICAL

The Federal Government could save at least \$145,000 annually if Federal agencies would purchase rather than lease the 172 teleticket machines now in use, but they are not clearly listed as available for purchase in the Authorized Federal Supply Schedule Catalog for Communications Terminals. (See p. 27.)

RECOMMENDATIONS

The Administrator of General Services should

--inform agencies of the cost advantages of purchasing rather than leasing teleticket machines and

--include teleticket machines in the Authorized Federal Supply Schedule for Communication Terminals as being available for purchase.

AGENCY COMMENTS

The Office of Management and Budget, Departments of Defense and Transportation, and GSA

generally agreed that substantial benefits could be derived with greater use of discount air fares and more effective administrative controls over Federal employee airline travel. These agencies also agreed that administrative costs associated with airline travel can be reduced. The Departments of Defense and Transportation and GSA plan to take action to reduce direct and indirect Federal air travel costs. (See pp. 15, 25, and 28.)

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## ABBREVIATIONS

DOD	Department of Defense
GAO	General Accounting Office
GSA	General Services Administration
GTR	Government Transportation Request
HEW	Department of Health, Education, and Welfare
OMB	Office of Management and Budget

## CHAPTER 1

### INTRODUCTION

The Congress has repeatedly expressed interest in reducing Federal travel costs and in establishing methods and procedures to produce that result. The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471) emphasized this objective by providing for an economical and efficient transportation and traffic management system. The Congress directed the General Services Administration (GSA) to establish policies and procedures for the system.

The reason for congressional interest in travel costs is clear--Federal travel costs are substantial. A major portion is spent for Federal employees' travel on commercial airlines. In fiscal year 1976, for example, the Federal Government spent at least \$470 million on airline fares alone and incurred high administrative costs for travel as well.

This report analyzes and evaluates GSA and Federal agency accounting controls and related procedures for ensuring that least costly

--air fares are obtained and

--systems are used for procuring airline tickets, processing unused tickets for refunds, and auditing travel expenditures.

Although we did not review the travel practices of Government contractors or Federal-grant recipients, we believe their travel practices would be similar to those of Government agencies.

### FEDERAL POLICY ON TRAVEL COSTS AND MANAGEMENT RESPONSIBILITIES

Federal policy clearly states that agencies should keep all travel costs to a minimum. This is evident in the Office of Management and Budget (OMB) guidance to agencies on the control and management of travel. OMB Bulletin 76-9, December 4, 1975, states that:

"It is Administration policy that agencies should authorize that amount of travel necessary to accomplish the purposes of the Government effectively--but not one bit more--and at minimum cost."

Travel regulations issued by GSA and the Department of Defense (DOD) are designed to carry out this policy. The regulations require all employees traveling on official business to consider cost in selecting the method of travel. They also state that if discount fares are available, such fares should be used when they will not interfere with agency business.

Discounts offered by airlines include excursion, group, and off-peak fares. These fares, offered by most major airlines, are from 15 to 35 percent lower than coach-class fares. Since our review, several airlines have announced even greater discounts--as much as 50 percent off coach fares. To obtain these discounts the traveler generally must make reservations and pay for tickets earlier than for coach-class fares.

To carry out its broad responsibilities as traffic manager for all Federal agencies, except DOD, GSA should

- make onsite surveys of transportation activities in Federal agencies and evaluate agency operations and compliance with Federal regulations,
- recommend changes in agency policies, standards, practices, and procedures to improve the efficiency and economy of agency transportation operations,
- hold seminars and training courses to improve and broaden traffic management knowledge and experience of agency personnel,
- contract for transportation-related services, such as teleticket machines, and
- prescribe and promulgate regulations to govern travel and transportation expenses.

Although GSA has these responsibilities, it has taken the role of travel advisor rather than manager. In the past, it has made onsite surveys when invited or requested by an agency, not on its own initiative.

The Military Traffic Management Command was established to manage DOD transportation. Unlike GSA, this command actively encourages military travelers to use available lower air fares and consolidates personnel and cargo to obtain discounts.

## HOW THE GOVERNMENT MAKES AIRLINE RESERVATIONS AND PAYS ITS BILLS

The methods used to make airline reservations, obtain tickets, and pay for them vary by agency location. At locations not having access to teleticket machines, either the traveler or the agency travel office contacts an airline, reserves a seat, and selects a ticket office location from which the ticket will be obtained.

Employees may obtain airline tickets with either Government Transportation Requests (GTRs) or with their own funds. When employees do not have access to an agency travel section, they may have to purchase with cash tickets costing less than \$100. If they buy tickets with their own funds, employees are reimbursed on the basis of their travel voucher. Generally, however, employees obtain airline tickets with GTRs. Although GTRs can be used to obtain tickets for a number of different trips and travelers, they are normally used for one trip and one passenger.

Over a period, airlines accumulate GTRs by agency and prepare bills for each agency. In many cases, the bill covers only 1 or 2 GTRs and consequently only 1 or 2 tickets. This creates a sizable bill-paying workload. When the agency receives the bill, it matches its copies of GTRs to those attached to the bill, to ensure their appropriateness, and certifies that the bill is correct. Civilian agencies send these certified bills to the Department of the Treasury for payment, and DOD pays the bills for the services. Both civilian agencies and DOD, with the exception of the Department of the Navy, send copies of GTRs to GSA for audit of the fare computations; the Navy audits its own. Unused or partially used tickets are sent to agency accounting offices for processing.

The method is different with teleticket machines. These machines are essentially teletypewriters which connect agencies with airline ticket offices. When a Federal traveler needs a ticket, either the traveler or the agency travel section contacts the airline. Travel requirements are provided to the airline, and the airline transmits a ticket to the agency via the teleticket machine. Instead of issuing one GTR per ticket or trip, a single GTR is prepared for all tickets for the agency during the payment period, such as 2 weeks or 1 month. The agency lists all tickets issued during the payment period as support, along with the GTR, for Treasury's payment with one check.



In March 1977 Federal agencies were leasing 172 teleticket machines and several more were on order. Of those in use, 84 were in the Washington, D.C., area. Twelve were in use in Atlanta, and the Chicago and New York areas had 6 machines each.

#### A RELATED REPORT

We briefly discussed teleticketing as a method of reducing the administrative costs of airline travel in an August 1977 report to OMB and GSA. 1/ We made several recommendations on centralizing administrative functions but made no specific recommendations on the use of teleticket machines or discount fares.

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1/"Standardized Federal Regions--Little Effect on Agency Management of Personnel," FPCD-77-39, Aug. 17, 1977.

## CHAPTER 2

### DISCOUNT AIRLINE FARES--INCREASED USE

#### COULD SAVE THE GOVERNMENT MILLIONS OF DOLLARS

Because of inadequate financial management controls and procedures in Federal agencies and the inadequacy of GSA's oversight of travel activities, Federal employees frequently do not obtain available discounts. Agencies have not (1) kept records of discounts taken, (2) analyzed reasons for discounts not taken, nor (3) regularly monitored travel expenditures to ensure that lowest available fares are used.

The Government could save millions of dollars annually if agency employees obtained the lowest available air fares, as GSA and DOD travel regulations require. However, for several reasons, Federal employees have not always obtained the lowest available fares.

- Employees did not know special fares existed.
- Employees did not make airline reservations sufficiently in advance to qualify for reduced fares.
- No agency was responsible for making group reservations for Federal employees attending multi-agency conferences or for employees of various agencies who routinely had common departures and destinations.

We believe Federal departments and agencies have not adequately analyzed the costs, the administrative work involved, and the auditing needed to identify opportunities for reducing travel costs. Neither has GSA issued adequate information on discount air fares to agencies nor assisted them in grouping reservations to obtain lower fares. The array of special fares available to travelers makes the selection of the lowest available fare difficult. However, knowledge and use of the special fares usually results in substantial savings over regular fares.

#### FEDERAL REQUIREMENTS

Both GSA's Federal Travel Regulations and DOD's Joint Travel Regulations require using special or reduced air-carrier fares when using such fares will not interfere with the work. These regulations, as well as most individual agency regulations, stress that travelers should take the least costly air transportation practicable.

In an August 1977 memorandum (see app. I) to the heads of departments and agencies, we suggested that the use of discount fares be emphasized. This memorandum was issued because of the potential for immediate savings. A number of agency officials told us that they had distributed this message to their employees but that they had not compiled statistics on the extent of their savings. We intend to follow up on our suggestions to ascertain the actions taken and the amount of savings attained.

For this review, we compared the fares used by Federal travelers to the readily available discount fares. We considered only those reduced fares that would not interfere with agency effectiveness and would not limit customary passenger services. Included were excursion, group, and off-peak fares. Since our review, several airlines have announced even greater discounts--as much as 50 percent off coach fares.

#### NEED TO INCREASE USE OF DISCOUNT EXCURSION FARES

Increased use of excursion fares would save millions of dollars. Although most Federal agencies did not have sufficient information to determine the extent of possible savings, 11 agencies did. (See app. IV for the agencies contacted.) At these locations, over \$550,000 could have been saved during the year with excursion fares, which reduce air-travel costs as much as 20 percent below coach fares. Although each airline establishes its own criteria for discounts on excursion fares, many are available when

- reservations are confirmed and tickets purchased at least 14 days before departure,
- a maximum of two stopovers (including the destination) are scheduled, and
- the travel is scheduled for at least 7 but not more than 30 days.

We believe that much of the travel associated with training courses, seminars, and conferences would qualify for excursion fares because travel dates are usually known at least 14 days in advance and planned travel would meet the 7- to 30-day criteria.

The Federal Aviation Administration is a good illustration of how an agency could use excursion fares. It has centralized training facilities in Lawton and Oklahoma City,

Oklahoma. Many of the courses offered are of sufficient length to enable the attendees to qualify for and obtain excursion fares. Also, the training schedules are prepared weeks in advance, and attendees generally are notified of their training dates early enough to obtain excursion fares. An analysis of the 1976 training program showed that, if the employees who qualified had traveled to their courses on excursion fares, costs might have been reduced by \$312,000.

Some agency travel officials said they were not aware of requirements that excursion or other reduced fares be used; others informed us that their employees generally requested airline reservations too late to obtain reduced fares. Federal Aviation Administration officials said they planned, in the future, to tell their employees to use the lowest fares and to make air reservations in time to obtain discounts.

DOD incurred similar losses. Each year thousands of reservists receive active-duty training for 2 weeks. Although reservists frequently have sufficient notice of their training schedule to qualify for excursion fares, few use them. For example, one military reserve location in St. Louis ordered 30,000 reservists to report for training during 1976 but did not specifically tell reservists to use excursion fares. In a sample of 300 travel vouchers related to this training, we identified 37 reservists who could have obtained excursion fares but did not. The excursion fares averaged \$43 less than the coach fares. Based on the total number of reservists who flew to training sites during 1976, we estimated that over \$230,000 in discounts may have been lost. Similar instances were identified at other military locations.

After we met with DOD officials to discuss this matter, they immediately told the major military commands of the need to have reservists use excursion and other lower fares. (See app. II.)

Many other official business trips also offer potential for excursion-fare use. In an analysis of employee travel practices in nine agencies in Denver, Colorado, we determined that at least 5 percent of the travelers qualified for excursion fares but did not use them. (See app. III.) If the travelers had used excursion fares, about 1 percent of their total expenditures for airline travel in 1976 could have been saved.

Several agency officials said that excursion fares were not used because they precluded some travelers by requiring that reservations be confirmed at least 14 days in advance.

It is important to note, however, that no penalty is imposed if it becomes necessary to cancel or change the travel period. If the period is changed, a new ticket is acquired, and the cost reverts to the coach fare.

Federal agencies need to keep adequate accounting records of discounts taken and tell their travelers of the need to use excursion fares unless other lower discounts can be used. Federal agencies also need to monitor employee travel to ensure that lowest fares are obtained.

#### NEED TO INCREASE USE OF GROUP DISCOUNTS

Increased use of group fares would also produce substantial travel savings annually. For example, if this type of fare had been used at the locations visited, \$400,000 could have been saved. Group fares do not reduce passenger services but generally are much lower than both coach and excursion fares. Travel rules and fares can be obtained directly from the airlines or from published tariffs. Group fares were not obtained because

- no one agency was responsible for consolidating the reservations of all Federal employees flying to the same destination and
- individuals who made the reservations in each agency were unaware of the availability of group fares.

#### Group travel rules

Group travel rules and fares vary by city of departure, airline, destination, and size of group. For example, most airline group requirements from Denver, Colorado, to other cities are relatively easy to meet. Between Denver and Bismarck, North Dakota, it is required that

- there be 10 or more passengers in the group,
- reservations be made 2 weeks before departure,
- tickets be purchased 48 hours before departure,  
and
- the group depart together although the passengers may return individually.

Qualified passengers could obtain a \$32 reduction (20 percent) in the round-trip coach fare by using the group discount. Frequently, enough Federal employees are traveling between Bismarck and Denver to qualify for group discounts. From other cities, such as Washington, D.C., airlines may require as many as 40 people to qualify for a group fare.

A method is needed for consolidating  
civilian reservations

Unlike DOD agencies, civilian agencies do not have a systematic method for consolidating the travel of large numbers of Federal passengers from various agencies. As a result, Federal travelers who attend multiagency conferences or make regular business visits to the same location often do not use less expensive group fares.

There are many multiagency conferences attended by hundreds of Federal employees who might qualify for group discounts. For example, more than \$6,500 was lost because Federal employees attending a multiagency conference in Phoenix, Arizona, in January 1977, did not use group fares, even though a sufficient number of Federal passengers from three different cities qualified.

Substantial savings are also possible if Federal travelers would use group fares between major cities. We analyzed the extent of Federal travel on 4 airlines during a 1-week period from Denver to 8 other cities. Of the 212 flights we analyzed, 19 had sufficient Federal passengers to qualify for group fares. If the group discount fares had been obtained, the Government would have saved \$5,900. If this week was representative, Federal agencies located in Denver spent about \$306,000 more during a 12-month period than was necessary for employee travel because they did not use group discount fares.

We made similar observations in the Dallas-Ft. Worth area. On 44 flights to 5 cities with a substantial number of Federal travelers, 8 flights had sufficient Federal travelers to qualify for group fares. If these travelers could have consolidated their reservations, Federal agencies would have saved \$1,580 in air fares during the week. If this week was representative, Dallas area agencies spent about \$54,000 more in 1976 than was necessary for employee travel.

If the civilian agencies had a central point, such as GSA, to contact in each city with many Federal offices to obtain group reservations for their employees on airlines flying to heavily traveled cities, we believe the Federal

Government could reduce travel costs substantially. Because of the need for making one payment for a group reservation, GSA could pay for the airline tickets and could be reimbursed by the agencies involved.

Because of the high concentration of Federal employees in the Washington, D.C., area, the system necessary for GSA to handle group fare reservations and payments in this area would be on a much larger scale than a system in a regional city such as Denver, Colorado. For this reason, we believe that GSA should consider testing the implementation of such a system in a regional city before implementation in Washington, D.C. We further believe that GSA should encourage Federal departments with several agencies in Washington to establish their own systems for consolidating employee reservations, allowing for greater use of group fares until GSA determines the feasibility of implementing a system to handle group fare reservations and payments.

#### Agencies should use group fares

Many management and travel section employees of both civilian and Defense agencies either were not aware of group fares or were not aware of the requirement to use them. Consequently, several agencies were not using the lowest available fares although they had a sufficient number of employees traveling to the same destination at the same time.

For example, in February 1977, 19 employees from the Environmental Protection Agency attended a conference in Salt Lake City, Utah. Ten employees used the same flight to Salt Lake City, and 7 other employees took other flights the same day. If these 7 employees had travelled with the other 10 and all had used the group fare, the Environmental Protection Agency could have saved \$357. The conference coordinator told us that she made no effort to obtain a group fare because she didn't know of it. Agency officials agreed that they should use such fares, and they issued instructions on using group fares to agency employees.

Similarly, 16 Air Force employees flew together from Salt Lake City to Winnipeg, Canada, but did not use a group fare which amounted to a 20-percent discount. As a result, about \$850 (\$53 a person) was spent unnecessarily. DOD regulations require that the Military Traffic Management Command be notified when groups of 10 or more are traveling more than 450 miles. According to officials, this trip should have been referred to them so they could make the group reservation and possibly other reservation consolidations. After

we brought this case to their attention, the Military Traffic Management Command reminded the Department of Defense (DOD) to follow established regulations. (See app. II.)

Federal agencies need to be more aware of group fares and to use them whenever possible. They should make appropriate inquiries of the airlines to identify group fares and potential savings available.

#### NEED TO INCREASE USE OF DISCOUNT OFF-PEAK FARES

Increased use of off-peak fares would also reduce Federal travel expenditures. Many airlines offer off-peak fares for early morning and late evening flights between many cities. Although the fares have few restrictions, most agency travel offices and employees were not aware of the fares and did not encourage their use. We estimated that failure to use off-peak fares from Denver to Salt Lake City cost the Federal Government about \$107,000 during 1977.

There are several off-peak flights from Denver to Salt Lake City. Some are available during prime morning flight hours. Use of this fare does not reduce passenger services (including meals) but does reduce the normal one-way fare from \$56 to \$28.

For two sample flights from Denver to Salt Lake City, we found that Federal passengers who might have used off-peak fares did not. One sample showed that 35 percent of the passengers who traveled on off-peak flights paid the full fare. The other sample showed that over \$2,000 (\$26 per person at the time of the review) could have been saved during a 1-week period if the off-peak fare had been used.

If this same amount exists for the entire year, Federal agencies might save more than \$100,000 just on trips from Denver to Salt Lake City. We believe that a similar situation may exist on Salt Lake City to Denver flights. As the traffic manager for civilian agencies, GSA needs to provide greater assistance to the agencies. Agencies have not obtained the lowest fares because employees are unaware of discounts offered--especially group fares and such specials as off-peak fares.

In our review we saw little effort by GSA or other departments and agencies to take advantage of group fares. GSA should assist Federal agencies in Washington and other major



cities to achieve travel savings by (1) making group reservations for Federal employees traveling to cities visited frequently and (2) informing agencies of the special discount fares offered by airlines.

### GSA SHOULD HELP AGENCIES GET DISCOUNT AIR FARES

As shown earlier, large amounts are lost because there is no system for consolidating reservations for Federal employees traveling to the same city. GSA, in conjunction with other Federal agencies, should identify the most common destinations and days and time of departure of Federal employees traveling from each major city where numerous agencies are located. With this information, GSA could review specific airline tariffs for group fares or find out from the airlines whether such fares are offered on commonly used flights and, if so, what the requirements are to qualify for the group fare. For flights with available group fares, GSA could tell the agencies how much advance notice was needed so it could make and pay for group reservations on a reimbursable basis. If not enough employees are listed with GSA by the time reservations need to be made, GSA could inform the agency, allowing it to make reservations for its employees. We believe that GSA also could assist agency employees in making group reservations for multiagency conferences, as well as for travel to various cities.

This particular method is not necessarily the best or only method for handling group reservations.

### Publicizing special fares

Although GSA is responsible for disseminating traffic management information to civilian agencies, some GSA officials said they do not publicize or emphasize the availability of special airline fares. We believe that because of this lack of publicity, many Federal agencies are not aware of such fares.

Knowing about special fares would be useful to many agencies. For instance, agency officials recognized their responsibility to obtain the lowest fares but said it was difficult to keep informed about changing fares and related rules. It would be helpful if GSA informed them about the availability of lower fares.

GSA regularly publishes bulletins informing Federal agencies of items and services it provides. These bulletins could be used to communicate information on airline fares.

## BETTER AUDIT COVERAGE AND CONTROL OVER EMPLOYEE TRAVEL IS NEEDED

Federal agencies need to audit employee compliance with Federal travel regulations. Our multiagency audit disclosed that most of the agencies visited lacked control over employee travel. Frequently, agency officials were not aware of the potential travel savings nor of employees' failure to comply with Federal travel regulations because problems had not been identified and reported to management. Although some agencies' internal audit staffs reported on selected areas of employee travel, we found no audits specifically evaluating whether employees were using the lowest available air fares or the adequacy of agency accounting controls and procedures to control travel costs.

### CONCLUSIONS

Considering our extensive review and the examples we identified, it seems probable that the practices at other agencies, Government contractors, and Federal grant recipients are the same. Accordingly, we conclude that millions of dollars in airline fares could be saved if agencies obtained available discounts and that these savings can be achieved without disrupting agency business or reducing passenger service. Because of the large savings possible, Government agencies should try to ensure that discount fares are obtained.

None of the agencies we visited had examined or analyzed why discount fares were not used. It would be beneficial to record when discounts are available for particular trips and when and why travelers do not obtain the lower fares. We recognize that travelers will not always be able to obtain discount fares because of inapplicable situations. However, keeping records should provide management with information on how much their efforts have saved. Also, analyzing travelers' explanations of why discounts were not taken should help to identify ways to obtain these discounts in the future.

Management in each agency is responsible for establishing internal audit priorities which should be reflected in the agency's audit plan. Because of the lack of audits of employee use of discount air fares and because of the large savings available with their use, we believe that managers should reassess their auditing plans. They should determine whether there is a need to adjust audit priorities or increase audit resources to provide the necessary oversight.

Although agencies should give greater attention to obtaining the lowest air fares, the full potential of these savings cannot be realized without the leadership and assistance of GSA.

With GSA's assistance in establishing procedures for grouping reservations, Federal agencies could save more on transportation. GSA would be able to consolidate reservations for travelers from several agencies. This assistance could be available for travel to various cities, as well as for multiagency conferences.

### RECOMMENDATIONS

To ensure that Federal agencies use discount air fares, as required, and to reduce transportation costs in line with congressional objectives, we recommend that the heads of departments and agencies

- review the use of airline discount fares and inform employees of the potential for savings,
- establish, in agency travel organizations, adequate accounting for savings on discounts taken and procedures for recording and analyzing explanations for not taking discounts, and
- evaluate audit priorities and staff resources to determine the need for periodic internal audits of the use of discount fares.

To achieve savings through increased use of group fares and other special fares, we recommend that the Administrator of General Services

- regularly inform Federal agencies of discount air fares available between commonly traveled locations;
- determine the feasibility of establishing a system for consolidating Federal traveler reservations in cities where there is substantial travel by Federal employees; and
- evaluate the feasibility of providing assistance to agencies sponsoring multiagency conferences by making and paying for, on a reimbursable basis, group-fare reservations for attendees.

## AGENCY COMMENTS AND OUR EVALUATION

The Office of Management and Budget, the General Services Administration, the Department of Transportation, and the Department of Defense provided written comments on this report. (See apps. V through VIII for copies of their comments.) These agencies agree that discount air fares should be used whenever possible and that methods of obtaining airline tickets should be reviewed. The agencies also agree that better administrative controls are needed to ensure use of discount fares. The following sections summarize each agency's comments on our recommendations for increasing use of discount airline fares.

### Office of Management and Budget

OMB agreed that the Government could derive substantial benefits through the establishment and maintenance of effective administrative controls over air travel. Particularly, OMB believed that Government managers should emphasize informing potential travelers of available fare and service options.

OMB officials also agreed with our recommendation that periodic audits of agency travel may be appropriate in light of the varied treatment now given to air travel by agencies. Periodic internal audits could serve to ensure the maximum utilization of discount fares. OMB stated that the recent proliferation of discount fares makes it extremely difficult to administer a comprehensive system for recording and analyzing explanations for not taking the lowest available fare. While Government travelers should be encouraged to select the lowest fare consistent with their travel needs, OMB does not favor burdening travelers with excessive paperwork to justify their final choice.

Our recommendation that travelers justify using coach fares when discount fares might have been used is not intended to burden the traveler with excessive paperwork. We are recommending that agency travel units account for savings on discount fares taken and record travelers' or travel units' reasons for not obtaining a discount air fare. This could be done on a sample basis at the time reservations are made. Management needs this information to identify problems which hinder agencies from obtaining the economical air fares. This information should aid managers in reducing air travel costs and should inform managers of the benefits derived from agency efforts. Also, the accounting for savings on discounts taken could provide management with justification data for larger travel service units.

## Department of Transportation

The Department of Transportation shares our view that increased use of discount air fares will result in considerable savings of travel dollars. The Department plans to audit its travel practices and monitor the travel arranged by Department travel service units, paying particular attention to the use of discount air fares.

## General Services Administration

GSA supports our recommendations encouraging the use of discount airline fares. GSA commented that individual agencies are responsible for keeping each traveler informed of special fares and for establishing internal procedures to ensure that reservations are made sufficiently in advance to qualify for reduced fares.

GSA agreed that it may be able to assist agencies in effecting some marginal increase in savings by regularly informing Federal agencies of discount air fares available between commonly traveled locations. GSA believed, however, that in providing this information to agencies, it would be duplicating information already available in issues of the "Official Airline Guide" and through advertisements in newspapers and on the radio.

Federal agency officials recognize their responsibility to obtain the lowest available fare for travelers. However, they stated that it is difficult for them to keep informed of the latest fares and the rules to qualify for them because the rules change frequently. While it would be unreasonable for GSA to publish information on all available airline discount fares, GSA should regularly inform agencies of the availability of lower fares between the cities most commonly traveled by Federal workers. We believe this will help agencies to make greater use of discount air fares.

GSA informed us that it is making a study to evaluate the feasibility of providing more passenger traffic management assistance to Federal agencies and to determine the kind of assistance which should be provided. The study is to include the feasibility of establishing a system for consolidating Federal traveler reservations and to take advantage of group fares. Because of the potential savings available with the use of these fares, we encourage GSA to complete its study expeditiously.

## Department of Defense

DOD agreed that Federal agencies have not taken full advantage of discount airline fares. DOD plans to publicize discount fares in future transportation newsletters and magazines as well as at transportation seminars conducted for DOD personnel. DOD suggested we emphasize that travel arrangements need to be made through Government transportation officers, where available, and as far in advance of the travel date as possible.

DOD's Defense Audit Service has agreed to give appropriate consideration to the use of discount air fares when planning audits in the transportation area. Recognizing the significance of discount air fares and good transportation management, DOD stated:

"To assist in raising the level of interest in this important management function, it is suggested that your final report explicitly state the need for administrators and individual travellers to ensure travel arrangements are made through Government transportation officers where available and as far in advance of the travel as possible."

### CHAPTER 3

#### TELETICKETING--THE WAY TO ACHIEVE ADMINISTRATIVE SAVINGS AND BETTER ACCOUNTING CONTROL

Teleticket machines provide a means for effective accounting control over disbursements for air travel and for reducing the administrative costs of procuring airline tickets. When Government employees and agencies use GTRs to obtain and pay for airline tickets at airports or airline ticket offices, administrative costs can average over \$5 a ticket. Teleticket machines conveniently allow agencies to make bulk purchases and payments for airline tickets, thereby reducing the average administrative cost per ticket.

In 1973 and 1974 GSA published information on the nature and purposes of teleticketing, the usefulness of automatic payment procedures, and the methods for obtaining teleticket services. Since that time GSA has done little to encourage the use of teleticket equipment or to determine if the agencies that adopted the teleticket system are using it properly. GSA interprets its role, where teleticket systems are concerned, as travel system advisor and believes any changes in an agency's process of obtaining airline tickets must be initiated by the agencies.

GSA's efforts to persuade agencies to use teleticket machines have had limited success. During our review, we noted that many agencies, particularly at regional and field locations,

- were unaware of the teleticket process;
- were unaware of, or did not follow, established procedures; and
- had not considered multiagency use of machines.

We also noted that GSA had not published any information on the cost of renting teleticket machines, the possibilities of joint use, or the potential cost benefits from purchasing teleticket machines.

#### HOW TELETICKET MACHINES CAN REDUCE ADMINISTRATIVE COSTS ASSOCIATED WITH PROCURING AIRLINE TICKETS

Proper use of teleticket machines substantially reduces administrative costs of air travel.

Reductions occur in costs associated with

- obtaining airline tickets,
- processing GTR payments,
- processing refund applications for unused tickets,  
and
- auditing fares paid.

For agencies acquiring airline tickets at airports or through airline ticket offices and using a GTR for each ticket, we estimated that the costs described above ranged between \$5 and \$11. The costs depended on the distance between agency offices and airline ticket offices. In contrast, an efficient teleticket facility could decrease these costs to about \$1 a ticket for a machine which issues 300 tickets a month.

Costs associated with obtaining  
airline tickets can be reduced

Teleticket machines reduce costs incurred in obtaining tickets since the tickets are printed by the machine in the agency travel office. Savings can be large for agencies located some distance from airline ticket facilities and for those with substantial travel requirements.

A 1974 GSA analysis of the amount of time spent in acquiring tickets from airline ticket offices showed that the average time was about 25 minutes, excluding the time required to make a reservation. Based on this average time, the cost for obtaining a ticket could vary between \$3 and \$6, depending on the salary of the person obtaining the ticket.

GTR processing costs can be reduced

A 1969 Joint Agency Transportation Study, sponsored by the Joint Financial Management Improvement Program showed the cost of administering a GTR to be \$2. We analyzed the GTR process at three agencies in the Denver area and found the cost to be about \$3 a GTR. This figure is close to the Joint Agency Transportation Study amount, when adjusted for inflation.



A GTR is a document which, when presented to an air carrier, authorizes the air carrier to issue tickets to Government travelers. A GTR also authorizes the air carrier to bill the Government agency for services provided. When tickets are obtained from an agency's teleticket machine, a single GTR can be used for all tickets obtained from the machine during a designated period (usually 1 week).

Some of the agencies we visited did not use teleticket machines to obtain airline tickets even though they authorized large amounts of travel. For example, a number of Armed Forces Examining and Entrance Stations we visited processed more than 2,500 GTRs a year at an estimated cost of about \$8,000. Most of these GTRs could be eliminated by obtaining the tickets from teleticket machines and using one GTR to obtain a number of tickets. Examining Station personnel said they were unfamiliar with teleticket equipment and its advantages.

Several agencies with teleticket machines were issuing an excessive number of GTRs. For example, the Department of Labor headquarters, which has two teleticket machines in the same building, issued about 20,000 GTRs for about 21,000 airline tickets in fiscal year 1976. Less than 25 percent of the airline tickets were obtained from the agency's teleticket machine because employees were not required to use it. Most employees chose to use a single GTR and pick up their ticket from airline ticket offices or airports. Also, the travel office used a single GTR for each ticket obtained over the teleticket machine. Using the \$3 figure for processing a GTR, this practice cost Labor about \$60,000 in fiscal year 1976.

At our suggestion, Labor will require all headquarters personnel to obtain their airline tickets through the agency's teleticket machines. It also plans to implement an accounting system whereby one GTR and payment for that GTR will cover a large number of tickets.

Although GSA headquarters has provided departments and agencies in Washington, D.C., with guidelines, instructions, and assistance, numerous regional officials said that GSA had given them little or no assistance in establishing teleticket operations. This lack of assistance could be the reason many regional offices did not have an adequate understanding of teleticket machine use and were issuing and processing large numbers of GTRs.

Reduction in the number of ticket  
refunds from air carriers

Teleticket machines can be used to reduce the number of ticket refund claims against air carriers since the teleticket process permits unused tickets to be voided without payment. This process provides that the agency can void the unused ticket and line out the ticket entry on the teleticket listing. Consequently, the agency does not pay for the unused ticket.

This process differs from the refund practice used when a GTR is exchanged for an individual ticket. Once the airline receives the GTR, a refund is required for all unused tickets. Since the airline only issues the ticket upon receiving the GTR, refunds for unused tickets cannot be obtained without using the refund process. We estimated the cost to obtain refunds amounts to \$3 for each ticket.

The GSA Federal Property Management Regulations require Government agencies to take prompt steps to obtain adjustments from airlines. However, there was neither prompt action to obtain refunds nor accounting control at many agencies we visited. Some agencies waited months after tickets were issued without seeking reimbursement. For example, the Environmental Protection Agency in Dallas had 32 unused or partially used tickets as old as 7 months for which refunds had not been requested. The estimated value of these tickets was about \$900.

Also, agencies made no followup on outstanding ticket refund requests. GSA regulations require that if within 3 months from the issuing of a claim for reimbursement the air carrier has failed to make the refund or failed to explain why no refund was due, the agency should contact GSA so further action can be taken. The Mining Enforcement and Safety Administration in Denver had 57 ticket refund requests outstanding which were 4 to 30 months old. The Department of Labor in Dallas had 18 requests outstanding which were 3 to 54 months old. Neither agency had determined why the refunds had not been obtained, nor had they contacted GSA for help in obtaining refunds.

The value of the outstanding Labor tickets was over \$1,100, but the value of the outstanding Mining Enforcement and Safety Administration tickets could not be determined. The agency neither recorded the amount of expected refunds nor kept copies of unused tickets. The agency used whatever

the airline returned as a refund to automatically close the account. This procedure was also followed by the GSA office in Ft. Worth. It had requested refunds for 41 tickets but could not determine the value of the expected reimbursement.

Because teleticket machines would reduce the number of paid for but unused airline tickets, agencies would have less travel funds in the possession of air carriers. These funds could be used to meet the agencies' current travel needs.

### Teleticketing helps simplify the audit of travel payments

Public Law 93-604 requires GSA to "examine, settle, and adjust accounts involving payments for transportation and related services for the account of the United States."

GSA auditors stated that the auditing is simplified and more efficient when airline tickets are obtained from teleticket machines and a single GTR covers a number of tickets. Benefits from this process include:

- Reduction in paperwork shuffling. Instead of sorting through numerous GTRs to identify those to be audited, the auditors have a teleticket listing containing a number of tickets from which to choose.
- Increase in the accuracy of audit support. Teleticket listings identify actual travel, stopovers, and fare class more accurately than GTRs.

In addition to these benefits, GSA auditors said that far fewer ticket rate errors occur on tickets obtained over teleticket machines. Personnel who issue tickets over teleticket machines are more experienced than those at airline ticket counters. Also, there is more of a chance for human error when an airline ticket is written in busy airports and airline ticket offices.

### OPPORTUNITIES FOR AGENCIES TO SHARE TELETICKET MACHINES

Sharing teleticket machines would benefit many agencies, particularly those which obtain only small numbers of airline tickets. We noted several cases where regional and field offices would benefit from shared interagency or interdepartmental use of machines.

The Department of Health, Education, and Welfare (HEW) headquarters in Washington, D.C., and some of the regional offices have centralized interagency teleticketing operations. For example, in Denver, HEW has a single machine in the Federal Office Building to issue tickets for six of the Department's agencies. This machine issues 300 to 400 tickets a month and is operated by one employee who also has other responsibilities.

On the other hand, many agencies within the same department do not share machines. For example, the Job Corps had operated a machine in Denver for several years but did not issue tickets for other Department of Labor agencies. Consequently, Labor's Regional Office of Administration and Management ordered a second machine to be installed in the same building as the Job Corps machine. After we told Labor that the second machine was unnecessary because the Job Corps could share its machine, the order for the second machine was canceled.

San Francisco was the only location where we observed a successful large-scale interdepartmental use of teleticketing with automatic payment procedures. At that location, GSA provided tickets for itself and two Treasury agencies. Staff of both agencies said the operation fulfilled their needs.

In each regional city we visited, multiagency office buildings did not have teleticket machines. Although joint use would benefit all participants, neither GSA nor the other agencies occupying the buildings had acted to provide for joint use.

The U.S. Postal Service and the Postal Inspection Service in Atlanta are in the same building. A Postal Inspection Service official said the agency did not use the Postal Service's teleticket machine because it believed the GTR volume was too low. Officials were not aware that they could share a machine regardless of GTR volume. As a result of our suggestion that the agencies share the machine, a procedure for joint use was developed and implemented.

We believe GSA needs to further promote the shared use of teleticket machines. While all agencies and departments could benefit from sharing, no organization is willing to take the initial step.

## CONCLUSIONS

Although GSA has provided headquarters offices of departments and agencies with teleticketing guidelines and procedures, many regional officials were not aware of them. Agency headquarters offices should provide their field offices with information needed to effectively administer travel. If regional travel volume is large enough to warrant the use of the teleticket machines, headquarters officials should provide regional offices with information from GSA or agency procedures on appropriate use of the machines.

Although GSA has published general information on the usefulness of teleticket facilities, several agencies have not adopted a teleticket system. GSA guidelines detail machine benefits, but they are inadequate concerning information on joint use and machine cost.

Agencies need to improve their processes for refunding tickets. These improvements must be initiated by the individual agencies. To adequately control this process, agencies must determine the appropriateness of refunds and follow up promptly on refund requests.

## RECOMMENDATIONS

We recommend that the heads of all departments and agencies

- provide regional offices with GSA and agency guidelines and procedures to implement teleticket machine use and

- ensure that ticket refund requests are timely and that adequate control over the amount of refunds is established.

We also recommend that the Administrator of General Services

- amend GSA guidelines and bulletins to include information on sharing teleticket machines,

- direct each GSA regional office to survey machine use in its region for compliance with GSA guidelines, and

- direct each GSA regional office to work with agencies to increase use of teleticket machines.

## AGENCY COMMENTS AND OUR EVALUATION

### Office of Management and Budget

OMB stated that it supported our effort to reduce overhead costs associated with obtaining airline tickets. It suggested that a comprehensive study of different methods of obtaining airline services, covering services provided by Scheduled Airline Ticket Offices, might be worthwhile. These offices are staffed and managed by airline personnel and provide reservation, ticketing, billing, and refund services to Government agencies occupying space in Federal buildings.

During our review, we observed the operation of selected Scheduled Airline Ticket Offices. Given sufficient air traffic volume, it appears they can be an acceptable alternative to a teleticket machine. While these offices have a number of advantages, they usually require a relatively large volume of air travel business to warrant the airlines establishing them. Our report focused on teleticket machines because we found them to be an inexpensive, convenient way for agencies to make bulk purchases and payments for airline tickets. Even if the volume is small, the machine will significantly reduce the average administrative costs per ticket issued.

### Department of Transportation

The Department of Transportation agreed to examine its present methods of obtaining air tickets and to consider if the reduced cost and the convenience of teleticketing can be made available to more Department activities.

### General Services Administration

GSA agrees that it should amend guidelines and bulletins to include information on sharing teleticket machines. GSA will direct its regional Transportation Services Divisions to continue to work with agencies to effect increased use of teleticket machines when teleticketing is determined to be the most economical method of ticket procurement.

### Department of Defense

DOD agreed that its activities should be notified of guidelines and procedures for using teleticket machines. DOD informed us that the Joint Service Military Traffic Management Regulations contain guidelines and implementing procedures

on the use of teleticket machines. A change to the publication will soon be issued that will promulgate the latest teleticketing services negotiated in 1977 by GSA with the Air Traffic Conferences of America.

DOD commented that alternatives to teleticket machines such as computerized terminals should be explored. During our review we observed the use of computerized terminals for making airline reservations. Although we did not evaluate this system in detail, it appears that it could be a feasible alternative given sufficient air traffic volume. We might add, however, that these systems still require a machine to print the ticket. Existing teleticket machines should be considered for the printing function during cost analyses.

## CHAPTER 4

### POTENTIAL SAVINGS BY PURCHASING

#### TELETICKET MACHINES

The Federal Government could have saved at least \$145,000 in fiscal year 1977 if Federal agencies had owned rather than leased the 172 teleticketing machines in use at that time. Agencies have not considered purchasing these machines primarily because GSA has not clearly indicated in the Authorized Federal Supply Schedule Catalog for Communication Terminals that teleticket machines can be purchased.

Because a teleticket machine can pay for itself in about 2 years, many agencies have paid more through lease payments than it would have cost to buy them. The National Bureau of Standards has used the same machine in Boulder, Colorado, since 1962. GSA has used its Washington and San Francisco machines for more than 11 years. The cost to lease a teleticketing machine is about \$100 a month or \$1,200 annually, while these machines can be purchased for \$1,650 each. The GSA catalog lists the basic machine plus an attachment at just over \$2,000. But even at this price, it would cost less to purchase rather than lease machines.

Savings available Government-wide are sizable and could be even greater as more agencies learn of the advantages of these machines and install them. For example, one vendor's selling price for a teleticket machine was \$1,650. Based on the manufacturer's estimate of the machine's useful life (2,000 hours) and a ticket issuance rate of 300 a month, the machine would last about 200 months, or 17 years. The monthly cost, therefore, would be \$8.25 ( $\$1,650 \div 200$  months). With a maintenance contract, which costs about \$20 a month, the monthly purchase cost would be about \$30, compared to \$100 a month for leasing. The savings would be \$70 a month for each machine, and the total annual savings available throughout the Government, therefore, would be about \$145,000 (172 machines X \$70 a month).

When we explained that teleticket machines could be purchased for under \$2,000, officials of several agencies said they would consider purchasing a machine, and officials of two agencies already have placed orders for machines.



GSA SHOULD CLARIFY CATALOG  
AND CONSIDER OTHER SOURCES

Although GSA has Government-wide procurement responsibilities for civilian Federal agencies, its Authorized Federal Supply Schedule Catalog for Communication Terminals did not identify and list teleticket machines as available for purchase. The catalog did list an item which, if properly equipped with several options, could be used as a teleticket machine; however, the catalog did not specifically state which options were necessary to make the system work as a teleticket machine. As a matter of fact, the catalog was so vague even GSA's contracting officer for this equipment was unaware that the machine could be used for teleticketing.

We believe GSA should consider other sources of teleticket machines because we found lower prices available from another vendor.

CONCLUSIONS

Agencies have leased teleticket machines when it would have been cheaper to purchase them. In fact, they had not adequately considered the option of buying machines because they lacked information about this option. We believe that because of its Government-wide procurement responsibilities, GSA should publicize the purchase option and help agencies get the lowest price possible.

RECOMMENDATIONS

Considering the sizable savings possible through purchasing teleticket machines, we recommend that the Administrator of General Services

- inform agencies of the cost advantages of purchasing rather than leasing teleticket machines and
- include teleticket machines in the Authorized Federal Supply Schedule Catalog for Communication Terminals as being available for purchase.

AGENCY COMMENTS AND OUR EVALUATION

GSA agreed that purchasing rather than leasing teleticketing machines has considerable merit but would

like to study it. Considering the cost advantages of purchasing these machines, we question the need for a study. We believe that GSA should inform each agency of the cost advantages of purchasing teleticket machines and should assist agencies in obtaining these machines.

## CHAPTER 5

### SCOPE OF REVIEW

We reviewed and evaluated accounting system controls and related procedures developed by selected Federal agencies to determine whether these controls and procedures are adequate to minimize Federal employee air travel costs.

We limited our work to evaluating the adequacy of controls to ensure economical travel; we did not question or evaluate the need for travel. At the agencies visited, we interviewed travel and accounting officials regarding established controls and procedures and examined agency records to determine whether reduced airline fares were used. This work was performed at selected agencies in 7 departments and 2 independent agencies in the Washington, D.C. area, and at offices in 10 departments and 14 independent agencies in 5 Federal regions--Atlanta, Dallas, Denver, Kansas City, and San Francisco. (See app. IV for agencies contacted.)

We also met with officials of several airlines in the Washington, D.C., and Denver, Colorado, areas to discuss the availability of group discount air fares and to enlist their cooperation in evaluating the volume of Federal employee air travel to and from selected locations.



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-103315

August 25, 1977

HEADS OF DEPARTMENTS, AGENCIES, AND OTHERS CONCERNED:

SUBJECT: SAVINGS AVAILABLE BY USING  
AIRLINE DISCOUNT FARES

This memorandum is to bring to your attention the potential for immediate savings by informing your employees that they should use airline discount fares when feasible rather than regular coach-class air fares.

Most major airlines offer discount fares that are about 15 to 35 percent lower than coach-class fares. Section 1-3.4 of the Federal Travel Regulations and chapter 304, paragraph 304002, of the Military Traffic Management Regulations require the use of special lower fares when practical. We are making a Government-wide review of the use of established teleticketing procedures, which are intended to simplify the Government's accounting for and payment of airline tickets. In visiting 20 departments and agencies in the Washington, D.C., area as well as field offices of 40 departments and agencies, we determined that most agencies are not taking advantage of these lower air fares.

One of the most frequently missed discount fares is the round-trip excursion fare. Excursion fares generally are available when

- reservations are confirmed and tickets are purchased at least 14 days before departure,
- only a maximum of two stopovers (including the destination) are scheduled, and
- the travel period is for at least 7 but not more than 30 days.

The restrictions requiring that reservations be confirmed at least 14 days in advance prevent some travelers from using excursion fares because travel plans are not always firm that far in advance. However, it is important to note that there is no penalty for canceling or changing a reservation made to take advantage of the excursion rate. The fare would revert to the coach fare, and a new ticket would be obtained.

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(90609)

B-103315

Much of the travel by Federal employees, especially that connected with training courses, seminars, and conferences, qualifies for excursion fares, because travel dates usually are known at least 14 days in advance. Thus, sizable savings could result. Also, each summer many thousands of military reservists receive active-duty training for a 2-week period. The reservists usually are notified of their training dates several months before departing for summer camps and thus could in many cases obtain excursion fares.

Savings also can accrue to Federal agencies by using group fares rather than coach-class fares. Group fare requirements vary by airline and by flight and are usually more restrictive than requirements governing excursion fares. The discounts, however, are generally greater than excursion fares (up to 35 percent of coach-class fares).

Federal travel office personnel are aware of discount air fares but have not always used them because travelers requested airline tickets too late to take advantage of the discounts. Also, at agencies where travelers made their own reservations, discount fares generally were not obtained apparently because travelers were not aware of them.

We believe that several million dollars is being lost annually Government-wide because travelers and travel offices are not taking advantage of discount fares, even though Government regulations require them to do so.

A draft of this memorandum was furnished to the General Services Administration for comments. The Director of the Federal Travel Management Division responded:

"Our Government-wide responsibilities in developing and prescribing per diem, travel, transportation, and relocation allowances for civilian Federal employees includes traffic management programs and procedures for procuring passenger services from the carrier industry.

"In the Federal Travel Regulations (FPMR-101-7), as well as in information bulletins issued to assist agencies in these matters, we direct the use of special, commutation, excursion, and reduced round-trip fares for official travel and even group or charter arrangements \* \* \*

B-103315

"We believe the subject of your memorandum will place greater emphasis on the use of such fares and will produce significant savings on a Government-wide basis. More and more special or reduced fares are being offered by the carrier industry and we fully support your proposal in this regard."

I suggest you review the use of airline discount fares in your agency and communicate to your personnel the potential for additional Government savings by increased use of these fares. Also, because travel office personnel are generally more knowledgeable about available discounts, your employees should be required to use their services when appropriate.



Comptroller General  
of the United States

MILITARY TRAFFIC MANAGEMENT COMMAND'S  
MESSAGE OF MAY 13, 1977, TO THE HEADQUARTERS  
OF ALL MILITARY SERVICE BRANCHES INCLUDING  
RESERVE UNITS AFTER GAO'S MEETING ON  
DISCOUNT AIR FARES AND TELETICKETING SERVICE

Subject: Discount Air Fares and Teleticketing Service

1. On 4 May 1977 DOD and GAO met to discuss DOD procurement of discount air fares and use of teleticketing systems to simplify the billing process. As agreed in that meeting, the following information and guidance was developed to aid transportation officers in procuring lowest cost transportation:

a. Discount fares - Transportation Officers/Agents and offices arranging travel or directing travel on a reimbursable basis are reminded that a number of reduced or discount airline fares, other than those applicable specifically to DOD, are available to the public, but can be used for official DOD travel. In general, these fares fall into three categories: (1) Reduced Fare Classes-- Night Coach, Thrift, Off-peak, etc., (2) Excursion Fares, and (3) Group Fares - YG 10, SG 10, etc.

(1) Reduced fare and excursion fare costs and the general rules of application are contained in the Official Airline Guide (OAG). Flight coach reduced fares are generally applicable between 2100 and 0700 hours and may be suitable for some TDY travel. Excursion fares do require advance reservation/ticket purchase and involve minimum/maximum stay periods, but may be especially appropriate for travel of Reserve and National Guard personnel to/from active duty training.

(2) Group fares for travel arranged by Transportation Officers under the delegated authority provisions of Chapter 306, Joint Military Traffic Management Regulation (MTMR) (AR 55-355, NAVSUP Pub 444 (Rev), AFM 75-2, MCO P4600.14A, DSAR 4500.3) are also available between many points in CONUS. Information on group fares should be available at any location where airline tickets are for sale or may be obtained by contacting the HQ MTMC Tariff Branch, AUTOVON 289-1630 or Area Code 202, 756-1630.

b. Teleticketing - Those TO's who do not have sufficient passenger traffic to warrant the services of a SATO (Scheduled Airline Ticket Office - formerly JAMTO) are requested to consider the feasibility of installing a teletypewriter ticketing service as described in Chapter 314 and Appendix M, MTMR. In addition to the evaluation factors specified in Paragraph 314004, MTMR, the potential should be considered for reducing the number of GTR's issued by adapting new or existing teleticketing operations to automatic payment procedures variously identified as APP by GSA, LOPA by DAF, and local purchase and payment of airlines service by DAF. Payment procedures are described in Chapter 10, Section B, AFM 75-8 and the brochure entitled "Automatic Payment Procedures" which may be secured from the GSA Transportation Services Division at the nearest GSA Regional Office. A change to the MTMR describing these payment procedures has been forwarded for printing and will soon be published in Chapter 319, MTMR.

2. Information similar to the foregoing will be published in the MTMC Traffic Management Information Letter and Translog Magazine.

3. Request the above information be given widest dissemination.



EXTENT OF NONUSE OF AIRLINE EXCURSION  
FARES BY NINE FEDERAL AGENCIES IN  
DENVER, COLORADO, DURING OUR REVIEW

<u>Department and agency</u>	<u>Number of travelers sampled</u>	<u>Amount of discounts not used</u>	Percent of travelers qualifying but not using excursion fares ( <u>note a</u> )
Department of Agriculture: Soil Conservation Service	38	\$ 197	15.8
Department of Commerce: National Bureau of Standards (note b)	1,206	3,502	5.9
Department of the Interior: Bureau of Reclamation	879	1,006	3.0
Mining Enforcement and Safety Administration	279	796	5.7
National Park Service	404	1,196	5.4
Department of Labor: Employment Training Administration (Job Corps)	255	536	7.1
Department of Transportation: Federal Aviation Administration	440	2,010	7.3
Federal Highway Administration	327	821	5.2
Civil Service Commission	<u>152</u>	<u>256</u>	5.9
Total	<u>3,980</u>	<u>\$10,320</u>	5.5

a/None of the sampled travelers qualifying for excursion fares used them.

b/Includes all travelers using Commerce's teleticket machine. The travel office provides travel services for several other agencies.

DEPARTMENTS AND AGENCIES CONTACTED

DURING OUR REVIEW

WASHINGTON, D.C.

Department of Defense:

Department of the Army  
Department of the Navy  
Military Traffic Management Command

Department of Health, Education, and Welfare:

Office of the Secretary  
Office of Education

Department of Housing and Urban Development

Department of the Interior:

Office of the Secretary  
National Park Service  
Bureau of Outdoor Recreation

Department of Labor:

Office of the Secretary  
Bureau of International Labor Affairs

Department of Transportation:

Office of the Secretary  
Federal Aviation Administration

Department of the Treasury:

Office of the Secretary  
Bureau of Government Financial Operations  
U.S. Customs Service  
Internal Revenue Service

ACTION

General Services Administration

FIELD LOCATIONS

Department of Agriculture:  
Food and Nutrition Service  
Forest Service  
Soil Conservation Service

Department of Commerce:  
National Bureau of Standards  
National Oceanic and Atmospheric Administration

Department of Defense:  
Department of the Air Force  
Department of the Army  
Department of the Navy  
Marine Corps

Department of Health, Education, and Welfare:  
Center for Disease Control

Department of Housing and Urban Development

Department of the Interior:  
Bureau of Land Management  
Bureau of Reclamation  
Mining Enforcement and Safety Administration  
National Park Service  
United States Fish and Wildlife Service

Department of Justice:  
Drug Enforcement Administration  
Immigration and Naturalization Service  
Law Enforcement Assistance Administration

Department of Labor:  
Employment and Training Administration

Department of Transportation:  
Federal Aviation Administration  
Federal Highway Administration  
National Highway Traffic Safety Commission

Department of the Treasury:  
Bureau of Alcohol, Tobacco and Firearms  
Internal Revenue Service

INDEPENDENT AGENCIES

ACTION

Civil Service Commission

Community Services Administration

Energy Research and Development Administration

Environmental Protection Agency

Equal Employment Opportunity Commission

Federal Energy Administration

Federal Mediation and Conciliation Service

Federal Power Commission

General Services Administration

Nuclear Regulatory Commission

Small Business Administration

United States Postal Service

Veterans Administration

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D. C. 20503

APR 21 1978

Mr. D. L. Scantlebury  
Director, Finance and General  
Management Studies Division  
General Accounting Office  
441 G Street, N. W.  
Washington, D. C. 20548

Dear Mr. Scantlebury:

We have reviewed your draft report entitled "Discount Airline Fares and Teleticketing: Ways to Achieve Savings and Better Accounting Control over Government Travel Expenses" and believe that the GAO has done a good job of highlighting some of the significant problems relating to government travel practices in the commercial airlines area. We agree with the report that substantial benefits could be derived through the establishment and maintenance of more effective administrative controls over airline travel by the Federal Government.

The suggestion that agencies closely monitor travel activity via periodic internal audits to assure maximum utilization of discount fares may be appropriate in light of the varied treatment now given to air travel by agencies. However, the recent proliferation of discount fares approved by the CAB would make it extremely difficult to administer a comprehensive system for collecting and analyzing explanations for not taking the lowest cost available fare. In addition to discount fares subject to special terms and conditions the CAB is considering reducing the restrictions on charter travel so that this type of low cost service would become very attractive to the individual traveler. Furthermore, the Board is considering a zone of fare flexibility which would allow market-by-market economy and first class fare reductions with minimal CAB oversight. All these developments are leading toward a plethora of price and service options for the government traveler to consider. While government travelers should be encouraged to select carefully the lowest price option consistent with their travel needs, we should not burden them with excessive paperwork to justify their final choice.

We believe the primary attention of government managers should be on developing ways to inform potential travelers of the available price and service options. To this end, we believe the focus of this report is correct in attempting to provide up-to-date information to the travel user through the efforts of the General Services Administration as well as the agencies.

With regard to your recommendation that agencies increase their utilization of teleticketing machines where feasible and that GSA facilitate the economic purchase of such machines through its authorized Federal Supply Schedule Catalog, we support the GAO intent to reduce overhead costs now associated with alternative methods of securing airline tickets as well as the current costs of leasing teleticketing machines. We would recommend that the report also include the suggestion for a comprehensive study of other opportunities available to agencies in securing airline services, such as those provided by GSA's Scheduled Airlines Traffic Offices. These offices are staffed and managed by airline personnel and provide free-of-charge reservation, ticketing, periodic billing, and ticket refund services to government agencies occupying space in Federal buildings. Such arrangements are very effective and economic to the government in areas where there is substantial Federal air travel.

We hope that the comments provided above will assist you in the preparation of the final report. We regret the delay in providing them to you.

Sincerely,



Dennis O. Green  
Associate Director for  
Economics and Government



OFFICE OF THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

ASSISTANT SECRETARY  
FOR ADMINISTRATION

April 11, 1978

Mr. D. L. Scantlebury  
Director, Division of Financial  
and General Management Studies  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Scantlebury:

This is in response to your request that the Department review and comment on the draft proposed report on use of discount airline fares and teleticketing.

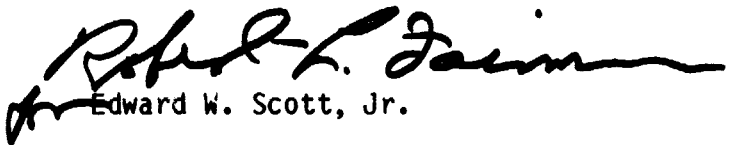
The Department shares the view of the report that increased use of air discount fares may result in considerable savings of travel dollars. In fact, Departmental and operating administration guidance has been issued several times since 1972 on the subject, and employees will continue to be encouraged to use discount fares when available.

The report recommends that agencies establish within their travel organizations an ability to account for savings resulting from air fare discounts taken. Also, the report states that procedures be instituted for collecting and analyzing explanations for available discounts not taken. In this regard it must be pointed out that most of the Department's travel is not processed through travel organizations. However, procedures are being developed to monitor that portion of the travel which is handled through a travel services unit. It is anticipated that the Department's travel audit practices and the experience gained from monitoring the travel handled by the travel services unit will enable the Department to attain a high frequency of discount air fare use.

The Department currently provides systematic audit coverage of all aspects of internal travel and transportation activity. Future audit coverage will include a specific review of the use of discount air fares.

The Department will examine its present methods of obtaining air tickets to determine where the cost and convenience benefits of teleticketing, including joint-agency teleticketing, can be made available to Department activities. Also, Departmental users of teleticketing machines are being notified to examine the purchase and lease costs of the machines with a view toward purchasing the equipment where economies can be obtained.

Sincerely,



Edward W. Scott, Jr.



UNITED STATES OF AMERICA  
GENERAL SERVICES ADMINISTRATION  
WASHINGTON, DC 20405

APR 13 1978

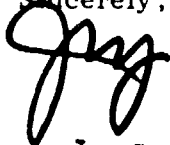
Honorable Elmer B. Staats  
Comptroller General of the United States  
U.S. General Accounting Office  
Washington, DC 20548

Dear Mr. Staats 

This is in response to the letter of March 1, 1978, from Mr. D.L. Scantlebury, Director, Division of Financial and General Management Studies, requesting our comments on the draft report entitled "Discount airline fares and teleticketing: ways to achieve savings and better control over Government expenses." We appreciate the opportunity to comment.

We generally concur in the recommendations contained in the report and have initiated action to implement them as indicated in the enclosed comments. Although the General Accounting Office implies that we have failed to take initiative in making greater use of discount airline fares, we believe that after reading our comments you will agree with us that we are taking positive action in this regard.

Sincerely,



Jay Solomon  
Administrator

Enclosure

GSA COMMENTS ON GAO DRAFT REPORT ENTITLED  
"DISCOUNT AIRLINE FARES AND TELETICKETING: WAYS  
TO ACHIEVE SAVINGS AND BETTER CONTROL OVER  
GOVERNMENT TRAVEL EXPENSES"

March 1, 1978

General comments:

Chapter 1 of the report implies that one of the fundamental reasons the Government is not making greater use of discount airline fares is GSA's failure to take initiative in the five management areas discussed below:

1. Performing on-site surveys of transportation activities in Federal agencies. GAO states on page 3 that surveys ". . . are performed when invited or requested by an agency, not on GSA initiative. Since November 1, 1976, we have conducted surveys of the traffic management practices of five agencies. Each of these surveys was initiated by GSA.

2. Recommending changes in agency policies, standards, practices, and procedures. At the conclusion of a survey, a report is developed and furnished to the agency involved. Such recommendations are included in the report, as applicable.

3. Conducting seminars and training courses. The transportation seminar program receives less emphasis now than in recent years because of budget limitations and the difficulty of identifying and quantifying the benefits on a cost benefit perspective. Nevertheless, during the first 5 months of FY 1978, we have expended over 2,647 manhours in conducting transportation and travel management seminars. Concurrently, the Civil Service Commission (CSC) and GSA developed a CSC sponsored Federal Travel Regulation Seminar Program. GSA specialists both in Central Office and the regions are presently conducting these seminars. One of the subjects discussed is the use of special or reduced passenger fares.

4. Contracting for transportation related services. We presently have an indefinite term contract for the use of teleticketing and automated payment procedures with the Air Traffic Conference of America and a master railroad ticket contract with the National Railroad Passenger Corporation (Amtrak). During the first 5 months of FY 1978, we performed 1,653 contract and procurement actions for freight and office relocation transportation and related services. In addition, 3,148 manhours have been obligated to our passenger travel and travel service responsibilities.

5. Prescribing travel and transportation regulations. GSA has during the past year prescribed and revised numerous regulations. The most recent regulation pertaining to passenger travel management (FPMR Temp.

Reg. A-11, Supplement 5, dated March 8, 1978), prohibits the use of first class air transportation unless such use has been authorized by the head of the agency, or his deputy. This authority may not be further delegated.

In summary, we believe that we are accomplishing our broad management responsibilities within current budget allocations. However, this is not to say that the most cost effective passenger traffic management techniques are used by all agencies in all locations throughout the country. We believe that GSA has provided the agencies with sufficient information and guidelines pertaining to the advantages of teleticketing and the requirement to use the lowest available fare consistent with the requirements of duty. The problem, as we view it, lies mainly in reaching the travelers themselves. GAO appears to share this view.

We accept responsibility for establishing the civilian agency traffic management policy and procedures. However, the responsibility for keeping each traveler in each agency currently informed of special fares, and for establishing internal procedures to ensure that reservations are made sufficiently in advance to qualify for reduced fares, belongs to the individual agencies and not to GSA. In this regard the three recommendations for the heads of departments and agencies should do much to encourage increased use of airline discount fares.

Recommendation: GAO recommends that the Administrator of General Services regularly inform Federal agencies of discount air fares available between commonly traveled locations.

Comment: We agree that by regularly informing Federal agencies of discount air fares available between commonly traveled locations, GSA may be able to assist agencies in effecting some marginal increase in savings. However, we could only duplicate the information already available to each travel office in the bimonthly issues of the North American Edition of the "Official Airline Guide," and through daily advertisements in newspapers and on radio.

Recommendation: GAO recommends that the Administrator of General Services ask agencies to make improvements in administrative procedures to achieve greater use of discount air fares.

Comment: We believe that procedural improvements will be achieved if agencies implement the recommendations contained in this report. We do not feel that our asking agencies to make these improvements will have any substantial impact because the written policy pertaining to use of discounted fares has long been established in the Federal Travel Regulations 1-3.4b.

Recommendation: GAO recommends that the Administrator of General Services:

-- Determine the feasibility of establishing a system for consolidating Federal traveler reservations in cities from which there is substantial travel by Federal employees; and

-- Evaluate the feasibility of providing assistance to Federal agencies sponsoring multi-agency conferences by making and paying on a reimbursable basis, for group fare reservations for attendees.

Comment: We are presently conducting a study which will enable us to evaluate the feasibility of providing more passenger traffic management assistance to Federal agencies and to relate the kind of assistance which should be provided to the various reservations and ticket procurement concepts. The study will include the feasibility of establishing a system for consolidating Federal traveler reservations, providing group fare reservations, and assisting agencies sponsoring multi-agency conferences. There are, however, some problems associated with our paying for the group fare tickets on a reimbursable basis. First, since many programs compete for inclusion or expansion into the General Supply Fund (GSF), it will be necessary to carefully determine the impact which this use would have on the GSF. Second, we must ensure that the costs of developing and maintaining an accounting and payment system for this purpose do not exceed the transportation savings associated with purchasing group fare tickets.

In the meantime, we have established Scheduled Airlines Traffic Offices (SATO's) in Chicago, Illinois, and San Francisco, California. These offices are staffed and managed by airline personnel and provide free-of-charge reservation, ticketing, periodic billing, and ticket refund services to the Government agencies occupying space in Federal buildings or complexes of buildings. SATO's offer substantial advantages over teleticketing: They can provide better service to more agencies than teleticketing; Government staffing is not required; and they obviate the need for numerous (and relatively expensive) teleticket machines in a single Government complex. SATO's are only established where there is a substantial amount of Federal travel. GSA is working with the Air Transport Association and with other agencies to establish similar offices for consolidating Federal traveler reservations in New York, New York, Atlanta, Georgia, Honolulu, Hawaii, and Anchorage, Alaska.

Recommendation: GAO recommends that the Administrator of General Services:

-- Amend GSA guidelines and bulletins to include information on basic purchase and rental costs of teleticket machines as well as joint use information.

-- Direct each GSA regional office to survey machine use in its region for compliance with GSA guidelines.

-- Direct each GSA regional office to work with agencies to effect increased use of teleticket machines.

Comment

We generally concur with the first recommendation and, as indicated below, will consider including this information during our study.

Through our nationwide traffic management survey program, we will continue to survey teleticket machine utilization by Federal executive agencies.

We will direct our regional Transportation Services Divisions to continue to work with agencies to effect increased use of teleticket machines when teleticketing is determined to be the most economical method of ticket procurement.

Recommendation: GAO recommends that the Administrator of General Services:

- Negotiate with vendors to obtain the lowest possible volume price; and
- Notify agencies that the purchase of teleticket machines is a cost effective alternative to leasing them.

Comment: The Federal Supply Schedule is for various types of communication terminals, and not specifically planned for teleticket machines as terminal end use application. This recommendation appears to have considerable merit, and is deserving of more detailed study. The method of procurement and supply with cost/benefit guidance to agencies as to lease or purchase would be part of the study. It is therefore requested that this recommendation be changed to propose a detailed study on which the teleticketing program and the implementing guidelines and bulletins would be based.



MANPOWER,  
RESERVE AFFAIRS  
AND LOGISTICS

ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

2 MAY 1978

Mr. D. L. Scantlebury  
Director, Division of Financial  
and General Management Studies  
U. S. General Accounting Office  
Washington, D. C. 20548

Dear Mr. Scantlebury:

This is in reply to your letter to the Secretary of Defense regarding your draft report dated March 1, 1978, on "Discount Airlines Fares and Teleticketing - Ways to Achieve Savings and Better Accounting Control over Government Travel Expenses," OSD Case #4829, GAO Code 90609.

The Department of Defense (DoD) agrees with your findings that agencies have not taken full advantage of discount airlines fares and associated savings. As noted in your report the DoD's Military Traffic Management Command (MTMC) actively encourages the use of discount fares and we are pleased to report that in 1977 each Military Department and Defense Agency issued messages or memoranda on this subject similar to the MTMC message included as Appendix 11 of your report. Our efforts in this area are continuing and information about discount fares will be the subject of future articles in transportation newsletters and magazines as well as semiannual transportation seminars conducted by MTMC for DoD transportation personnel.

The recommendation that procedures be established to account for savings on discounts taken and record explanations for not using discount fares is not definitive. While the necessity for some recordkeeping procedure is acknowledged, it is possible that retaining records on all travellers could result in an administrative burden that would offset the possible advantages. Whereas much of the temporary duty trips made in DoD are of a short duration and, therefore, not generally compatible with excursion fares, the travel in conjunction with school and training of employees and military reservists is identified in your report as having a high potential for saving. Therefore, it is recommended that recordkeeping efforts be concentrated in those areas which tend to be most compatible with excursion fares. This is not to suggest that transportation personnel will reduce their efforts to use discount and excursion fares for all DoD travellers when such fares meet the official travel requirements.

In response to the recommendation concerning audits, the Defense Audit Service has reviewed your report and will ensure its subject receives appropriate consideration when planning future audits in the transportation field.

We concur with your recommendations concerning teleticketing. The Joint Service Military Traffic Management Regulations contain guidelines and implementing procedures on the use of teleticket machines and a change to that publication will soon be issued that will promulgate the latest teleticketing services negotiated in 1977 by General Services Administration (GSA) with the Air Traffic Conference of America.

Although the recommendation to consider purchasing, in lieu of leasing, teleticket machines was directed to the GSA, the following comment is offered. Recently some airlines have offered to lease Government agencies computer terminals that provide electronic reservation and ticketing services. Since this type of system would, in effect, replace a teleticket machine it is suggested that GSA may wish to include these devices in any study it might conduct to develop new guidelines in regard to the acquisition and use of reservation and ticketing equipment.

In closing we again endorse the need to intensify passenger traffic management but also note that the efforts of transportation personnel alone cannot suffice. To assist in raising the level of interest in this important management function, it is suggested that your final report explicitly state the need for administrators and individual travellers to ensure travel arrangements are made through Government transportation officers where available and as far in advance of the travel date as possible. Conscientiousness and cooperation by all concerned are essential to facilitate the use of discount fares and other cost saving devices while providing responsive travel services.

Sincerely,

SIGNED  
ROBERT B. PIRIE, JR.  
Principal Deputy Assistant Secretary  
of Defense (MRA&L)

PRINCIPAL OFFICIALS RESPONSIBLE FOR ADMINISTERING  
ACTIVITIES DISCUSSED IN THIS REPORT

Tenure of office  
From                      To

GENERAL SERVICES ADMINISTRATION

ADMINISTRATOR OF GENERAL SERVICES:

Joel W. Solomon	May 1977	Present
Robert T. Griffin (acting)	Feb. 1977	Apr. 1977
Jack Eckerd	Nov. 1975	Feb. 1977
Arthur Sampson	June 1973	Oct. 1975

FEDERAL SUPPLY SERVICE

COMMISSIONER OF FEDERAL SUPPLIES:

Robert P. Graham	July 1977	Present
J. H. Bolton (acting)	Apr. 1977	July 1977
Wallace H. Robinson, Jr.	Feb. 1976	Apr. 1977
J. H. Bolton (acting)	Nov. 1975	Feb. 1976
Michael J. Timbers	June 1973	Oct. 1975
Milton S. Meeker	Jan. 1972	June 1973

Note: There are several officials in each Federal agency that are responsible for management of agency travel costs including associated personnel and administrative costs. These officials have not been identified above because they are so numerous.

(90609)