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REPORT TO THE
AD HOC SUBCOMMITTEE
ON GOVERNMENT VEHICLE USE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

How Passenger Sedans
In The Federal Government
Are Used And Managed G-156712

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

SEPT. 6, 1974

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D. C. 20549

B-158712

The Honorable John A. Pastore, Chairman
Special Ad Hoc Subcommittee
on Government Vehicle Use
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

This is our report on Government owned and leased passenger sedans and station wagons requested at the September 18, 1973, hearings before your Subcommittee. A subsequent letter to you dated October 1, 1973, outlined the functional areas to be covered in this review. We obtained information on the inventory, justification, assignment, and use of these vehicles from the executive (including the White House), judicial, and legislative branches and from independent agencies. This involved visiting 100 offices in the United States and overseas.

An interim report containing an inventory of passenger vehicles, by agencies (see apps. I and II), was given to you on April 1, 1974.

As directed by your staff, we did not obtain comments from the numerous departments and agencies included in our review. However, we have included comments from the General Services Administration as they relate to the role this agency plays in various vehicle-management functions.

We do not plan to distribute this report further unless you agree or publicly announce its contents. We want to invite your attention to the fact that this report contains recommendations to the Administrator of General Services and the Director of Office of Management and Budget which are set forth on pages 6, 9, 18, 22, 26, and 32. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions he has taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and the

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ABBREVIATIONS

AEC	Atomic Energy Commission
AMA	American Management Association, Inc.
AMC	American Motors Corporation
DOD	Department of Defense
FEA	Federal Energy Administration
FMC	Federal Management Circular
GAO	General Accounting Office
GSA	General Services Administration

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HUD Department of Housing and Urban Development

NAEA National Association of Fleet Administrators, Inc.

NASA National Aeronautics and Space Administration

OMB Office of Management and Budget

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REPORT TO THE
AD HOC SUBCOMMITTEE
ON GOVERNMENT VEHICLE USE
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UNITED STATES SENATE

HOW PASSENGER SEDANS
IN THE FEDERAL GOVERNMENT
ARE USED AND MANAGED
1-1980

D I G E S T

WHY THE REVIEW WAS MADE

GAO made its review at the request of the Ad Hoc Subcommittee on Government Vehicle Use, Senate Committee on Appropriations, because its members were concerned about the proliferation of vehicles within the Federal Government.

FINDINGS AND CONCLUSIONS

GAO focused on two basic, inter-related issues:

- The vehicle fleet management in the areas of inventory control, justification, assignment and use, and internal reviews.
- The fuel crisis and recently issued regulations affecting vehicle use.

First, vehicle management.

- Individual departments and agencies generally do not keep central inventories of vehicles by type and location. (See p. 7.)
- Once a year the General Services Administration (GSA) accumulates a Government-wide inventory of vehicles, by department and agency, without verifying its reliability. This inventory was incomplete and inaccurate. (See p. 8.)

--Control over the use and assignment of vehicles in most agencies is decentralized to the extent that local officials are responsible for these functions. (See pp. 10 and 15.)

--GSA and the departments and agencies have not provided adequate criteria for measuring vehicle use and evaluating actual vehicle needs. The one common measure of vehicle use is the number of miles driven but mileage is not adequate for evaluating the basic need for a vehicle. (See p. 10.)

--Many installations do not require using daily logs on vehicle use or have records that are insufficiently detailed to provide the information needed to evaluate the need for the vehicle. (See pp. 4 and 10.)

--Interpretation of section 538a of title 31 of the United States Code by the Secretary of Defense, resulted in 66 military and civilian positions' being authorized transportation between their homes and offices. (See p. 12.)

--There was no standard agency criterion for assigning vehicles to individuals. (See p. 15.)

--There were many vehicles being used contrary to department or agency policies for transporting

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personnel from home to work, from home or place of duty to local reports, and to theaters, restaurants, golf courses, and sporting events and to transporting their children to schools. (See pp. 11 and 14.)

--Most agencies have no sound basis for evaluating requests for additional or replacement vehicles originating from lower level organizational units. (See pp. 11 and 12.)

--Most agencies did not make internal reviews of the management of their passenger vehicles. (See p. 23.)

Second, effects of new energy conservation policies.

--A number of prestige cars have been replaced by lighter models. (See p. 27.)

--Conservation measures will improve management of Government owned and leased vehicles and provide leadership in fuel conservation. (See p. 27.)

--The method of measuring compliance with mileage reduction criteria encourages retention of underused vehicles. (See pp. 19 and 20.)

--Meaningful utilization records to effectively monitor compliance with fuel conservation regulations are not kept. (See p. 17.)

--GSA should coordinate shuttle services established by agencies within specific geographical areas. (See p. 32.)

--An apparent divergence of opinion was found among agencies regarding sustainability of compact cars to meet

passenger requirements. (See p. 30.)

34. A comparison into private industries' policies and practices about its passenger vehicles showed that:

--Many cars were issued on a term-based basis to one or more levels of management personnel in 309, or 45 percent, of the companies surveyed in 1973. (See p. 34.)

--When cars are available to employees for normal company business use, most companies permit private use of their cars for a limited period. (See p. 34.)

--A Government contractor kept better utilization records and exercised better management control over its fleet of cars than most Government contractors. (See p. 36.)

35. He also ends that, to improve overall management of vehicles, the Administrator of General Services, with appropriate assistance and support from the Director of the Office of Management and Budget:

--Develop a data management system that will provide management with timely information on the number, type and location of vehicles, and provide that all agencies adopt the system. (See p. 9.)

--Develop statistical information for GSA's annual vehicle report to show the number of Government owned and leased vehicles and the cost of their operation by type: compact, intermediate, standard,

medium, heavy, and limousine.
(See p. 9.)

--Require individual departments and agencies to (1) develop realistic use criteria, (2) keep utilization records with sufficient information for evaluating vehicle use, (3) strictly enforce existing policy dealing with the use of vehicles for official purposes only, and (4) vigorously follow up on complaints from individual tax payers relating to the possible misuse of Government vehicles.
(See pp. 6 and 18.)

--Require individual departments and agencies to develop vehicle assignment criteria according to vehicle needs to meet a specific work objective which is not related to a particular position.
(See p. 19.)

--Require individual departments and agencies to assess the need for their vehicle fleets--both owned and leased--on a continuing basis, particularly when preparing annual requests for additional or replacement vehicles. (See p. 22.)

--Require all departments and agencies to make periodic and comprehensive internal reviews of vehicle management activities and institute aggressive corrective action in the problem areas identified. (See p. 26.)

--Modify the mileage formula for measuring compliance with the mileage reduction requirement in Federal Management Circular 74-1 so as to not penalize those agencies wishing to reduce the size of their vehicle fleets. (See p. 32.)

--Grant no agency an exemption from the mileage reduction requirement without adequate justification including the location, assign-

ment, and use of its existing fleet. (See p. 32.)

--Coordinate shuttle service within a specified geographical area.
(See p. 32.)

AGREED BY AGENCIES AND INTERAGENCY GROUPS

GSA officials generally agreed with our findings and conclusions in those areas where they had some knowledge and responsibility. (See pp. 6, 9, 17, 25, and 31.)

GSA officials said that their yearly inventory would be revised to show statistics on light sedans by type--compact, intermediate, and standard.
(See p. 9.)

MATTERS FOR FURTHER ACTION BY THE AD HOC SUBCOMMITTEE

In addition to the Congress and the Ad Hoc Subcommittee's overview interest in GAO's recommendations to the executive branch and its response, GAO believes that--considering the Comptroller General's testimony before the Subcommittee on September 18, 1973, regarding the provisions of 31 U.S.C. 533a on the use of vehicles for home-to-work transportation--the Subcommittee may wish to consider the need for a restatement of congressional policy to clarify the types of positions and situations where such exemptions are authorized.
(See p. 19.)

The Subcommittee may also wish to suggest that appropriations committees discuss with individual agencies, during their appropriation hearings, their need for vehicles larger than compacts in view of the divergent opinion on the suitability of compacts to meet passenger vehicle requirements. (See p. 32.)

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CHAPTER 1

INTRODUCTION

Our review focused on four aspects of the management of Government owned and leased passenger vehicles--inventory controls, justification of requirements, assignment and use, and internal reviews. We also gathered information on passenger vehicle management in the private sector.

We gave the Subcommittee an interim report on our study on April 1, 1974. The report contained the number of vehicles owned and leased by departments and agencies of the Federal Government. It was based on unverified information the various Federal departments and agencies furnished to GAO. The statistics on light sedans and station wagons in that report are included as appendix I. Appendix II contains statistics on prestige sedans--limousines, heavy and medium--also in our interim report and updates the inventory to April 1, 1974.

Because most Federal agencies carry out a variety of functions and use vehicles at installations and field activities scattered throughout the world, we designed the scope of our work for representative coverage of each agency's vehicle fleet on a worldwide basis. The agencies and locations are listed in chapter 9. However we are not including a detailed analysis of any single agency but are presenting our observations related to the various facets of vehicle management across the entire Government owned and leased passenger vehicle fleet.

Throughout this report, we refer to two groupings of administrative vehicles used by Government agencies; namely, (1) light sedans, including station wagons, and (2) prestige sedans. The following differentiates light and prestige sedans models by manufacturer.

Light sedans

Type 1A - Subcompact (2,100 pounds)--Ford Pinto, Chevrolet Vega, and American Motors Corporation (AMC) Gremlin.

Type 1B - Compact (2,700 pounds)--Ford Maverick, Chevrolet Nova, AMC Hornet, and Plymouth Valiant.

Type II - Intermediate (5,200 pounds)--Ford Torino, Chevrolet Chevelle, AMC Matador, and Plymouth Satellite.

Type III - Standard (5,900 pounds)--AMC Ambassador, Plymouth Fury, Ford, and Chevrolet Impala.

Prestige sedans

Type IV - Medium (4,200 pounds)--Chrysler New Yorker, Mercury Marquis, and Pontiac Catalina.

Type V - Heavy (5,000 pounds)--Lincoln Continental and Chrysler Imperial.

Type VI - Limousine (5,500 pounds)--Cadillac Fleetwood.

The fuel crisis, which occurred during our review, had a serious impact on the use of vehicles owned and leased by Government agencies and caused agencies to reexamine their vehicle needs. As a result of the crisis, the Federal Energy Administration (FEA), with the GSA, issued energy conservation policies and procedures which agencies were to apply to vehicle fleet operations. The policies called for an overall 15-percent reduction in the use of all Government vehicles--including privately owned vehicles used for official purposes--and a reduction in the number of prestige vehicles for administrative use.

In chapter 7, we discuss the impact of the GSA-FEA policies on the management of the passenger sedan fleet.

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CHAPTER 2

MANAGEMENT OF PRESTIGE SEDANS

Because of expressed congressional interest in the use of prestige vehicles and the impact of the energy crisis on such vehicles, we are devoting this chapter to a discussion of the management and use of these vehicles.

About half of the 822 prestige vehicles operated by the Federal Government were used for law enforcement and protective services. The law enforcement activities that we visited maintained rather complete vehicle utilization records. Since vehicles for the use of the President are exempt from the provisions of 31 U.S.C. 638a, we did not review the utilization records of the protective service vehicles. Most agencies did not keep complete or meaningful records on the use of the 433 prestige vehicles used for administrative purposes. We found that because of the energy crisis, a number of prestige vehicles--particularly those used for administrative purposes--were replaced with light sedans.

ASSIGNMENT AND USE OF PRESTIGE VEHICLES

Provisions for procuring passenger-carrying vehicles are contained in the appropriation acts. The Administrative Expenses Act of 1946 (31 U.S.C. 638a) gives certain limits for the purchase, assignment, operation, use, and maintenance of these vehicles.

The provisions of the statute were implemented in the Office of Management and Budget (OMB) Circular A-11 and A-22. Circular A-11 required that the budget estimator, which include funds for procuring limousines, heavy or medium sedans, must identify the specific type of vehicle to be procured. Circular 22 prescribed the policies governing the acquisition, assignment, and use of prestige sedans for the departments and independent agencies of the executive branch.

Effective April 15, 1973, the responsibility for implementing the A-22 policies and procedures was transferred from OMB to GSA by Executive Order No. 11717. However, specific responsibility in terms of implementing A-22 did not occur until August 1973.

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The use of passenger vehicles is limited exclusively "for official purposes" by 31 U.S.C. 638a and allows only minor exceptions for transporting officials and employees between domiciles and places of employment. Those not subject to this limitation are the President, heads of executive departments, ambassadors, and other principal diplomatic and consular officials. Also excluded are medical officers on outpatient medical service and employees engaged in field-work who require such transportation and then only with the approval of the head of the department concerned.

LACK OF ADEQUATE UTILIZATION RECORDS

Departments, agencies, and bureaus which had prestige vehicles did not keep complete or meaningful utilization records on these vehicles for administrative purposes. Some officials said that, because the law permits leasing or purchasing this class of vehicle, utilization data was not pertinent. We made no attempt to evaluate the purpose or use of such vehicles. These vehicles are primarily assigned to the higher officials of an agency or military installation, and the policy adopted allows any use of a vehicle to be considered official use. We did not find any authority, legal or otherwise, for this view. We believe mileage and other guidelines recommended in our report for light or standard sedans should be applied to prestige vehicles, except those exempted by 31 U.S.C. 638a.

Rather complete utilization records are kept on vehicles used for law enforcement by the activities we visited. However, we did not review the utilization records of protective service vehicles because these vehicles are used by the President and are exempt from the provisions of 31 U.S.C. 638a.

EFFECT OF ENERGY CRISIS

Due to the fuel crisis and fuel conservation regulations, a large number of prestige vehicles were replaced with light sedans. Prestige vehicles were reduced from 822 on June 30, 1973, to 678 on April 1, 1974. (See app. 1.) The net reduction was 144, which consisted of a decrease of 250 vehicles used for administrative purposes and an increase of 86 vehicles used for law enforcement. The agencies achieved the reduction by replacing medium and heavier vehicles with light sedans.

We do not anticipate any significant reductions in the vehicles used for law enforcement, protective service and the administrative vehicles used by the Department of State overseas because these are exempt from the provisions of Federal Management Circular (FMC) 74-1 fuel conservation regulations.

On January 21, 1974, GSA with the FEA issued FMC 74-1. Attachment A of this circular supersedes OMB Circular A-22 and requires the executive departments and agencies to eliminate the use of prestige sedans within 45 days and to replace them with compacts or subcompacts. Exempt from this provision are the President, Vice President, and security and highly essential needs.

Actions taken to replace limousines and heavy and medium sedans with light sedans are:

--107 of 114 such vehicles replaced in the Department of Defense (DOD).

--5 Mercury Marquises replaced with 5 Chevrolet Novas obtained from GSA in the Atomic Energy Commission (AEC).

--1 Limousine (Cadillac) and 6 Mercury Marquises replaced with 1 AMC Ambassador and 6 Plymouth Valiants in the Department of Health, Education, and Welfare.

Most of the limousines and heavy and medium sedans were replaced with intermediate and standard sedans from existing fleets since GSA did not have compacts readily available.

FMC 74-1 was concerned with carrying out the President's directive to have the Government set the example of fuel conservation to the Nation by reducing the number of prestige vehicles. As a result, the prestige vehicles were eliminated without giving any consideration to making a cost-benefit analysis.

FMC 74-1 also requires that an appropriate official in each agency certifies to GSA the need for sedans exceeding type I (compacts and subcompacts) in size. The GSA is attempting to supply compact vehicles to meet agency requirements. (See ch. 7.)

AGENCY COMMENT

GSA officials are evaluating requests for exemptions to the EMC 74-1, particularly for light sedans to replace limousines and heavy and medium sedans. Also, they are attempting to procure additional compacts as replacement vehicles. However, procurement of compacts is limited by availability of compacts on the market.

GSA told us on June 19, 1974, there were only 21 prestige vehicles used domestically for administrative purposes by executive departments and agencies. Although this is an accurate figure, it excludes prestige vehicles used for law enforcement, protective service, the White House and those used overseas and by the legislative agencies. (See app. 11.)

RECOMMENDATION

Since the replacement vehicles will be used for the same purposes as prestige sedans, we recommend that the Administrator of General Services, with the appropriate assistance and support of the Director of OMB, require that agencies maintain utilization records on all vehicles, except those exempted by 31 U.S.C. 638a, to insure that such vehicles are used for official purposes specified in 31 U.S.C. 638a.

CHAPTER 5

INVENTORY CONTROLS ARE INADEQUATE

Most agencies did not have central records showing, by location, the number and types of light vehicles in use throughout the agency. One agency took over 4 months to give us inventory statistics for owned and leased light sedans and station wagons. Although GSA accumulates statistical data on agency vehicle inventories each year, the information shows only the number of vehicles without identifying types or location. The statistics are not verified by GSA. We found the statistical information was neither complete nor accurate.

We believe each agency should establish accurate perpetual inventories of its vehicle fleet.

DEPARTMENT AND AGENCY INVENTORIES

Our review showed that by June 30, 1973, there were 97,680 light sedans and station wagons used by the various Federal departments and agencies.

Agency owned		53,519
GSA owned:		
Assigned to agencies	29,500	
Dispatch fleet	7,134	
In storage	5,635	40,369
Agency leased, commercial		<u>3,792</u>
Total		<u>97,680</u>

The above information is shown in detail by department and agency in appendix I.

The vehicles which GSA assigns to the agencies are operated and controlled by the agencies in the same manner as the vehicles they own or commercially lease. GSA does not keep any management control over these vehicles. The only data GSA receives from the agencies is total mileage, which is used for billing purposes. The dispatch fleet vehicles are maintained and controlled by GSA in over 100 motor pools around the country. They are available to the agencies on a daily or short-term rental basis and are usually used to

supplement an agency's permanent fleet or to fill an agency's transportation needs when personnel are on temporary duty in another city. The vehicles in storage are, for the most part, old vehicles being held for disposal, newly purchased vehicles pending assignment, or vehicles required to meet seasonal demands.

In most departments and agencies, maintaining vehicle inventories is a decentralized function with little or no headquarters visibility of inventory. With few exceptions, inventories are kept at lower organizational units and field activities.

It took from 2 weeks to 4 months for most headquarters to obtain inventory statistics from these activities. For example, we requested this information from headquarters, Department of Labor, on October 16, 1973, and did not receive its reply until February 7, 1974.

GSA ROLE IN VEHICLE INVENTORY

Each year GSA accumulates statistical data on vehicle inventory by agency and issues a report entitled "Federal Motor Vehicle Fleet Report." However, the data is by number of vehicles only and is not verified. All light sedans are lumped together by agency instead of separated by types.

In addition, the data furnished to GSA by the agencies is incomplete and inaccurate and some agencies do not furnish any information on their vehicle fleets. Some examples are:

- On June 30, 1973, the United States Postal Service had one limousine and six medium sedans that were not reported.
- At CAO's request the military conducted a physical inventory of vehicles by locations. The figures concerning GSA-owned vehicles assigned to defense agencies are almost 50 percent higher than those reported to GSA for use in its fiscal year 1973 fleet report.
- Some of the smaller agencies--such as the Commission on Civil Rights, American Revolution Bicentennial Commission, and National Foundation of the Arts--were not aware of the requirement to report their vehicles to GSA.

AGENCY COMMENTS

NSA officials agreed that, in order to have a continuing accurate count of vehicles, agencies would have to keep a perpetual inventory of vehicles by location.

Also, if required, NSA could maintain a perpetual inventory of all vehicles. It would like to have the management of all vehicles included in its motor pool system.

NSA is planning to breakdown the light-sedan inventory statistics into types I, II, and III in next year's annual vehicle report.

RECOMMENDATIONS

We believe that one of the basic requirements for proper management of vehicles is an accurate, up-to-date inventory. Therefore we recommend that the Administrator of General Services, with appropriate assistance and support of the Director of OMB, develop a standard inventory system which will provide management with timely information on the number, type, and location of vehicles and require all departments and agencies to adopt this system.

We recommend also that the Administrator of General Services develop statistical information for its annual vehicle report to show the number of vehicles and cost of operation by type--compact, intermediate, standard, medium, heavy, and limousine.

CHAPTER 4

LACK OF CONTROL OVER UTILIZATION AND ASSIGNMENT

Most agencies' control over the utilization and assignment of vehicles is decentralized to the extent that local-level officials are entirely responsible for these functions. The utilization and assignment of vehicles is carried on at local-level activities with little guidance from agency headquarters. We found that (1) the only common measure of vehicle use is the number of miles driven, but mileage is not adequate for evaluating the basic need for a vehicle, (2) daily log records on vehicle use are either not kept or are not sufficiently detailed to provide the information needed to evaluate the need for the vehicle, (3) vehicles were being used in violation of department or agency policies, and (4) there is no standard criterion regarding assignment of vehicles.

USE OF VEHICLES

The only standard criterion that exists for measuring vehicle use is GSA's policy of 1,000 miles per month per vehicle.

With very few exceptions, agencies at all operational levels use mileage as the only criterion for determining vehicle need. Although many agencies follow the GSA suggested standard of 1,000 miles a month, some agencies have established their own mileage criterion. Examples are:

- The standard Army monthly target is 1,000 miles with a minimum goal of 800 miles. In the U.S. Army Garrison--Yongsam, the United Nations Command, and the 8th U.S. Army in Korea--90 percent of the assigned vehicles exceeded the 1,000-mile target, 19 percent averaged over the 800-mile minimum, and 21 percent did not meet the minimum goal.
- The Civil Service Commission, San Francisco region, uses 800 miles a month.
- The AEC Sandia Laboratories in Albuquerque, New Mexico, uses a monthly mileage criterion of 450 miles.

Generally when an agency does not meet the 1,000 miles a month criterion on GSA-assigned vehicles, the vehicles are rotated to other locations to achieve higher use. This type of rotation is practiced to a lesser degree with agency-owned vehicles.

Use of daily log records

Our review also showed that many agencies did not keep trip tickets and daily logs. Even when agencies did keep them, they were usually not detailed enough to show the purpose for which vehicles were used.

For example:

- The Defense Attache Office, London, does not maintain daily trip tickets, only weekly mileage logs.
- The Environmental Research Laboratory of the National Oceanic and Atmospheric Administration does not keep daily-use logs, but it does prepare mileage utilization records twice yearly.
- The training center of the Mine Enforcement and Safety Administration has good vehicle use records, but it does not use them to evaluate vehicle need.
- The California National Guard uses daily logs to show mileage and fuel added. Mileage is the only measure of use.

Violation of existing policies

Policies and guidelines on use of Government vehicles exist at all levels of organization and, if effectively enforced, could help improve the management of Government vehicles. However, we found that vehicles were being used in violation of existing policies.

The Administrative Expenses Act of 1946 (51 U.S.C. 638a), the basis for vehicle management, provides that Government-owned vehicles be used for official purposes only and states that the term

"'official purposes' shall not include the transportation of officers and employees between their domiciles and places of employment * * *."

This law also provides penalties for misuse and further states that:

"The limitations of this paragraph shall not apply to any motor vehicle or aircraft for official use of the President, the heads of the executive departments enumerated in section 101 of title 5, ambassadors, ministers, charges d'affaires, and other principal diplomatic and consular officials."

Liberal interpretation of 51 U.S.C. 638a by the Secretary of Defense resulted in no military and civilian positions being authorized transportation between domiciles and places of employment as heads of executive departments and diplomatic officials.

An audit made at the request of the Assistant Secretary of Defense (Installations and Logistics) identified instances when officers--not specifically authorized--were provided transportation from their residence to their offices. For example, officers residing at Fort Myer were routinely being provided with transportation to and from the Pentagon.

According to DOD instruction 4515.7 scheduled bus service should be used in all cases when practicable. This instruction applies to all personnel, regardless of grade or position. However, some personnel--usually high-ranking individuals--request the use of sedans for transportation to areas serviced by DOD bus shuttle on a 30-minute schedule. For example, records at one motor pool for an average week showed that about 80 percent of more than 500 requests for sedans were for trips between the Pentagon, Arlington Annex, and the Crystal City Complex which have regular scheduled shuttle service.

This same directive states that, except for emergency situations, protocol requirements, or security requirements, DOD personnel will not use Government-owned vehicles for trips between homes or places of duty, local commercial transportation terminals, and Dulles or Friendship Airports. However, DOD motor pool records showed many instances where DOD motor pool vehicles were used to provide transportation to and from Dulles, Friendship, and National Airports and to

places of duty or residence. Most trips were made by high-rank and high-grade employees in 1971.

On November 24, 1971, the Vice Chief of Staff issued a memorandum that such trips were to be limited for Major, Lieutenant Generals or above. This memorandum contradicts the DOD directive which specifically excludes all trips to Dulles and Friendship Airports regardless of rank.

Also, contrary to official-use-only policy, vehicle records showed many instances where sedans were used, especially by high-ranking personnel, for trips to restaurants, golf courses, florists, cleaners, officers' clubs, and theaters.

Also, the Department of Housing and Urban Development (HUD) has issued a handbook on travel requiring travelers using Government vehicles to show odometer readings, dates, and times of official travel.

However, this requirement was not fully enforced. At the HUD San Francisco area office, the required records were not kept on daily use. For example, 45 employees were authorized vehicles to be taken home at night and, since records were not kept, HUD officials had no controls to insure that the vehicles were not being used for normal commuting. We found that one fieldworker continued to use his assigned vehicle to travel between his home and office for several months after being assigned to the main office.

In addition, complaints of vehicle misuse or apparent misuse filed by individual taxpayers with GAO and Congressmen are referred to GSA for disposition. GSA refers these complaints for corrective action to the agency that has use of the vehicle. Many of these complaints express outraged indignation. On the complaints we examined, the agency replies were usually prompt and responsive.

Contrary to the rather lax manner in which departments and agencies are enforcing policies and use of Government vehicles, they have strong controls on the use of privately owned vehicles for official business, as required by the Joint Standard Travel Regulations.

ASSIGNMENT OF VEHICLES

Government passenger vehicles are used in a wide variety of situations due to the diverse functions of Federal agencies and bureaus. To fulfill these differing requirements, the type of vehicle assignments range from a chauffeur-driven sedan to a drive-it-yourself vehicle on an as-needed basis. The various categories of vehicle assignments are as follows:

Individuals with assigned driver

These types of assignments are normally applicable to secretariat level and higher positions and before the energy crisis usually involved the use of limousines and heavy and medium sedans. Some lower level positions, particularly in the military, also have assigned vehicles, normally light sedans, with drivers.

Individual who drives the vehicle

These types of assignments, normally light sedans, are made to fieldworkers, such as agricultural inspectors, National Park rangers, Civil Service Commission investigators, etc., and also to some administrative officials, such as fire chiefs, military base commanders, and recruiting personnel.

Motor pools as dispatch vehicles

Motor pools are operated by GSA for the benefit of all agencies and by individual agencies for their own personnel. GSA-operated motor pools keep dispatch vehicles on a drive-it-yourself basis. Some agency-operated motor pools provide a drive-it-yourself service, while others provide drivers, and the vehicles are dispatched similar to a taxi service.

Groups on a self-driven basis

Within agencies, one or more vehicles may be issued to an operating group for the use of several individuals. These are self-driven by the individual using the vehicle on an as-needed basis.

Generally, the agency headquarters leave the decision of individual, group assignments, and motor pool use to the local operational level. Criterion for this decision is also a local matter, which creates conflicting assignment patterns, even within an agency. For example, in San Francisco the HHD regional office established a motor pool for the use of inspectors, while the area office assigned a vehicle to each inspector. This situation exists in both military and civil agencies.

Army Regulation 55-1, Joint Procedures for Management of Administrative Use Motor Vehicles, states that authorization of vehicles is established in the table of distribution of allowances. However, the regulation does not cover who is authorized to have an individually assigned vehicle. The assignment of vehicles is decided by the local-level commanders.

Decentralization of management of vehicles allows local-level officials to assign vehicles for individual use and to evaluate the need for such assignments.

Assignments of vehicles to individuals or positions are made for investigative use, high percentage of field-work, emergency requirements, and the status of positions held by individuals.

Our assessment of assignments at several installations shows that:

- Base commanders in the military and regional or district managers in civil agencies are usually assigned vehicles for their individual use.
- Some of these individuals have drivers on either full- or part-time bases, while some do their own driving.
- Generally these assignments are justified on the status of the positions held by the individuals.
- Some individuals are assigned vehicles so they can respond immediately to emergency requirements. Examples are the District of Columbia Government highway administrative personnel who have vehicles so they can respond to snow-emergency alerts.

Although we did not make an in-depth review of the need to assign vehicles to individuals, we believe that individual departments' and agencies' headquarters should provide close scrutiny on vehicles issued to specific individuals and should consider:

1. Are the assignments authorized?

At the Fort Shafter Transportation Motor Pool of the U.S. Army Support Command, Hawaii, two vehicles were authorized to individuals under the provisions of DOD directive. However, in at least eight other situations, vehicles which were assigned to offices or organizations for recurring dispatch within that organization were limited to the sole use of one individual, usually with a driver assigned.

This method of obtaining individual use of a vehicle does not comply with the existing regulations which require that vehicles for groups be available to everyone.

2. Are the assignments necessary for the individual to carry out his responsibilities?

At the motor pool for the Commander in Chief, Pacific Fleet, Hawaii, written justification existed for only one of nine continuing assignments to individuals. A motor pool official told us that these assignments were not reviewed periodically since they were all to flag officers. Even in one situation where Pacific Fleet officials were notified by motor pool personnel that one assignment was not authorized by the Chief of Naval Operations, no action was taken to discontinue the assignment or to obtain the needed authorization.

3. Do the type of assignments provide for efficient and economical use of vehicles?

In our review of the various subcommands of the U.S. Army, Europe, written justifications were not maintained for most of the 83 vehicles assigned to individuals, usually general officers, and thus the type of use was not apparent.

4. Are controls adequate to insure that the individuals use the vehicles only for official purposes?

HUD's Minneapolis-St. Paul area office made a 3-month study in 1975 to determine the degree of unofficial mileage of

their assigned vehicles. The study showed that 25 percent of the total mileage was unofficial and that one vehicle was used 100 percent for unofficial purposes during the study period. As a result of the study, the individually assigned vehicles were reduced from 57 to 19.

Also, in the various subcommands of the U.S. Army, Europe, we found the following indications of misuse of vehicles due to the inadequate management controls.

- Home-to-work transportation for general officers.
- Exclusive or primary use of a vehicle by wives of general officers.
- Personal use, such as going to commissaries and laundries.

5. Is the continuing need for these types of assignments evaluated periodically?

In region II of the U.S. Customs Service, management never reviewed the vehicle assignments to see whether existing vehicles were still necessary to carry out all the individual assignments. Each area office sets its own rules for use which are not coordinated at the regional level, and no guidelines are given by the region to the local managers. Detailed operational information is not kept to assist management in reviewing the need for a particular vehicle or group of vehicles.

AGENCY COMMENTS

GSA officials agree that mileage alone is not an adequate criterion for measuring use. They said that a realistic criterion with purpose, assignment, and number of miles should probably be developed. However, since GSA has no basic control over agency owned and leased vehicles or GSA-assigned vehicles, it has not issued any additional guidelines. GSA officials also said that the daily log designed by GSA would give information needed to evaluate vehicle use.

CONCLUSIONS

We believe GSA and department and agency headquarters should develop stringent criteria on vehicle use which would

supply adequate information for evaluating the actual need for vehicles. Such information could be used as a basis to control the assignment of vehicles for achieving the most economical and efficient use and for justifying the annual replacement of and addition to the vehicle fleet.

The number of miles that a vehicle is driven monthly is not the only type of information needed to determine whether a vehicle is needed. In fact, in many cases, a mileage objective will give a user incentive to operate a vehicle unnecessarily to achieve the desired mileage.

We believe that number of miles driven should be supplemented by other criteria for measuring use because alone it does not consider the actual need for a vehicle.

RECOMMENDATIONS

We recommend that the Administrator of General Services, with appropriate assistance and support of the Director of OMB, require individual departments and agencies to develop realistic utilization criteria and maintain utilization records with sufficient information for evaluating vehicle use. In view of the patterns of misuse, we believe that the Administrator and heads of individual agencies should enforce the existing policy dealing with the use of vehicles for official purposes only as diligently as they control reimbursements for use of privately owned vehicles on official Government business. In addition, the Administrator should, with appropriate assistance and support of the Director of OMB, direct agencies to keep a file on complaints from individual taxpayers relating to possible misuse of Government vehicles and institute a vigorous followup policy to insure that appropriate corrective action is taken.

There should also be headquarters' guidance and control over the local assignment of vehicles. Although the basic determination of vehicle assignments should remain at the local level where day-to-day needs are more evident, a sound vehicle management program should have headquarters input into establishing assignment policies and a continuing evaluation to determine effective vehicle use. Within DOD, we believe there is a clear need for guidance to local commanders to insure that motor pool vehicles and their drivers are not dedicated to the use of individual officers solely because of their

rank or position. In developing the framework for local managers to follow in making assignments, headquarters must receive feedback from the local level to insure a workable criterion and to permit review of individual assignments.

We also recommend that the Administrator of General Services, with appropriate assistance and support of the Director of MB, direct individual departments and agencies to develop vehicle assignment criteria based primarily on the vehicle need to meet a specific work objective which is not related to a particular position or work.

Finally, in view of the liberal interpretation given to the exceptions to the official-use-of-vehicles provision in 51 U.S.C. 638a by the Secretary of Defense, the Subcommittee may wish to consider the need for a restatement of congressional policy to clarify the types of positions and situations where such exceptions are authorized, as suggested by the Comptroller General in his testimony during the September 18, 1975, hearings.

CHAPTER 5

INFORMATION NEEDED TO

DETERMINE VEHICLE REQUIREMENTS

Most agencies do not maintain data on their vehicle fleet which would enable management to determine actual agency-wide requirements. Likewise, headquarters officials have no sound bases for evaluating requests for additional or replacement vehicles which originate at lower level organizational units. Such requests are usually justified in the simplest of terms and do not discuss the current or ongoing need for the vehicles.

We believe that each agency should develop a vehicle-reporting system which will provide management with sufficient information necessary to assess agencywide vehicle requirements. Controls should also be strengthened to insure that requests for additional and replacement vehicles are on a current operational requirements basis and not merely on past usage.

LACK OF MANAGEMENT INFORMATION ON VEHICLES

As mentioned in the previous two chapters, most agencies do not know the number, types, location, or use made of owned and leased vehicles currently used in agencywide operations. Such information is vital for management to evaluate and determine its actual vehicle requirements and to monitor its existing fleet.

Statistical and informative data would improve headquarters visibility and control over its vehicles and permit distributing vehicles to those organizations having the most valid or urgent requirements. Headquarter staffs would be able to evaluate requests more effectively for additional or replacement vehicles and thus hold vehicle requirements to a minimum.

STEP TO STRENGTHEN CONTROLS
OVER REQUESTS FOR VEHICLES

GSA procures all Government vehicles for both replacement and fleet additions. In fiscal year 1975 GSA procured the following vehicles for Federal agencies.

	<u>Sedans</u>	<u>Station wagons</u>	<u>Total</u>
Air Force	712	352	1,064
Army	4,852	289	5,141
Navy	757	326	1,083
Other DOD	128	12	140
GSA	4,537	5,146	9,683
Other civilian agencies	<u>3,179</u>	<u>815</u>	<u>3,985</u>
Total	<u>14,156</u>	<u>6,940</u>	<u>21,096</u>

Of the 21,096 vehicles procured, 12,481 replaced vehicles being retired, and 8,615 represented fleet expansion vehicles. The only justification supporting replacement of GSA and agency-owned vehicles is the meeting of a mileage or age criterion, replacing about one-sixth of the total fleet each year. There is no reassessment as to the continuing need for a vehicle. Although a written justification may exist certifying the original need for the replaced vehicle, it is generally not updated by the agency to validate a current requirement.

At most locations we visited there was no written justification for a particular vehicle or, if a justification was on file, it was out of date.

Justification documents for additional vehicles vary by requesting activity. In many cases the justifications were stated in simple terms and did not evaluate the need for the new vehicles in relation to existing fleet. For example, a Civil Service Commission activity in San Francisco requested an additional vehicle--without evaluating its existing fleet--simply because it had added new field inspectors to its staff. Another example of inadequate justifications was found at the Kennedy Space Center, National Aeronautics and Space Administration (NASA), where each additional vehicle must be justified on a specified form relating to the specific use of that vehicle. The form does not identify how the requirement for

that vehicle relates to the existing fleet of vehicles. There is no requirement that this justification form be periodically updated or that new forms be prepared to justify replacements. NASA personnel said that the Transportation Service Section had never obtained updated justification forms.

CONCLUSIONS

We believe the need for additional or replacement vehicles cannot be evaluated in a vacuum without reevaluating the entire fleet in terms of the current mission and the vehicles available to perform this mission.

Further such a reevaluation is necessary at the headquarters' level as well as at the local fleet or pool activity. Then excess vehicles at one activity can be used to meet requirements at another. Also, when funds are tight, headquarters can properly assess priority of needs among the activities.

RECOMMENDATION

We recommend that the Administrator of General Services, with appropriate assistance and support of the Director of GSA, direct individual departments and agencies to assess the need for their vehicle fleets on a continuing basis, particularly when preparing their annual requests for additional or replacement vehicles. This evaluation should be applicable to all leased and owned vehicles.

CHAPTER 6

FIELD OFF INTERNAL REVIEWS

Most internal review groups have directed little effort to the area of vehicle management. Of the reviews performed, many were narrow in scope and dealt only with limited aspects of vehicle management. Those reviews that were properly made gave management useful information and usually identified problem areas. For example, an internal review of an executive motor pool within the Department of Labor was made in July 1975 to study an increase in the number of authorized users of the pool. As a result of the study, unauthorized home-to-work transportation was brought to the attention of department of labor officials and action was taken to eliminate the misuse. A September through December 1975 follow-up study showed a 47-percent decrease in the use of pool vehicles outside normal working hours.

VTL has made several internal reviews on its various contractor operations. Some findings follow.

--December 11, 1972, the internal review showed that a contractor had properly disposed of eight vehicles in May 1971 because of inadequate use.

--March 27, 1972, the internal review at a contractor's plant showed that:

1. Pool vehicles were used as transportation to nearby areas that were served by company taxis.
2. Satellite pool vehicles were used to duplicate service provided by shuttle and shift buses.
3. In many instances, authorization for use of vehicles during off-duty hours was not being obtained.

The contractor agreed to have the transportation branch take action to correct these problems.

--August 17, 1972, the internal review showed that:

1. Instead of using available GSA vehicles, personnel were using rental vehicles and privately owned vehicles to make out-of-town trips.

2. Instead of carpooling, personnel going to the same location used separate cars.

The furnished information did not include corrective actions taken or planned by management on this review.

Also, an internal review at the U.S. Army, 5d Recruiting District, pointed out that recruiting station commanders used Government vehicles for daily commuting for distances up to 20 miles, even though no requirement existed for field use. Conversely, some recruiters with a requirement for making official calls at night were denied use of the vehicles. The 5d District Command's reply to this report did not acknowledge that the commuting practices were contrary to Army regulations but stated that vehicle use would be based on a priority of need and that a study would be made to determine a reasonable commuting distance.

An example of an indepth study made of the use of Government vehicles is a review of the use of DOD motor vehicles and helicopters in the National Capital region. The review was to determine the extent to which DOD motor vehicles were used for other than official purposes.

Some of the problems discussed in the report were:

- Domicile to duty transportation: There were numerous instances when sedans were authorized to high-rank and high-grade personnel for home-to-work transportation. Also, a daily shuttle service was provided between the Pentagon and Ft. Myer residences of high-ranking officers.
- Routes duplicating scheduled bus transportation: Motor pool vehicles were used for trips to nearby locations where bus service was provided at 30 minute intervals or less.
- Transportation to and from commercial airports: Contrary to DOD regulations, the Army Chief of Staff authorized transportation between the homes or duty stations and local transportation terminals for Army Lieutenant Generals and above.
- Transportation for dependent school children: Dependent school children who reside on military

installations are given free transportation to numerous off-base private schools in the National Capital region. Dependents residing off base were not given free transportation to private schools.

- Congressional travel: The Army, Navy, and Air Force provided vehicles for the use of Members of Congress and their allies or dependents on numerous occasions to residences, airports, country clubs, and mostly "as directed."
- Other purposes: There were many trips made by high-ranking personnel to restaurants, golf courses, florists, cleaners, officers' clubs, theaters, and "as directed."

In addition to this review, there were six lower level reviews made of the Pentagon motor pool in calendar year 1973 and one in January 1974. However, by June 1974 there had been no action taken.

Management is not always responsive to the results of these reviews, nor is there always an evaluative followup. For example, the Supreme Headquarters Allied Powers, Europe-North Atlantic Treaty Organization (SHAPE-NATO) motor pool, Brussels, Belgium, operated 22 passenger vehicles in June 1973 to support U.S. elements of these international organizations. A management survey group from Theater Army Support Command reviewed the motor pool activities in June 1973 and one of the deficiencies included in its report was misuse of the vehicles for home-to-work transportation. However, in February 1974 the situation still existed, and we found no indication that the report was distributed to higher commands.

AGENCY COMMENTS

GSA officials informed us that GSA has only six people assigned to vehicle management reviews. Due to budget cuts, the staff was reduced by 20 positions several years ago. Presently, GSA activities in regard to studies of agency vehicle fleets is almost at a standstill. According to GSA officials, a backlog of over 500 requests to study various aspects of agency vehicle operations exists.

GSA officials also said that they did not have much knowledge of agencies' internal review activities.

CONCLUSIONS

It has been shown in previous reports that internal auditing is particularly essential and beneficial in decentralized operations where day-to-day central control is missing.

Our report has shown that only limited use has been made of internal audits as an element of management control over vehicles. In many agencies, vehicles have never been subjected to a regular program of review. In the few internal reviews which have been made, management response to the findings, with few exceptions, was minimal.

We believe that many of the problem areas described in this report could have been called to management's attention if comprehensive internal reviews had been made periodically.

RECOMMENDATIONS

We recommend that the Administrator of General Services, with appropriate assistance and support of the Director of GSA, direct individual departments and agencies to make periodic and comprehensive internal reviews of vehicle management activities and institute aggressive corrective action in the problem areas identified by these reviews.

CHAPTER 7

EFFECT OF FUEL SHORTAGE

At the outset of our study in October 1973, GSA and FEA had issued only limited regulations dealing with the fuel crisis as it impacted on the Government owned or leased passenger sedan fleets. However, since November 29, 1973, GSA has issued several regulations dealing with fuel conservation measures as well as guidelines for achieving reductions in fuel consumption which have had a large effect on the use of Government owned and leased vehicles.

The energy regulations GSA and FEA issued require such stringent measures as a 15-percent reduction in mileage for all Government owned and leased vehicles and privately owned vehicles used for official purposes and replacement of prestige vehicles with compacts.

Our review indicates that these regulations will improve the management of Government owned and leased vehicles and thus provide Government leadership in fuel conservation. To be fully effective, however, the present method of complying with the mileage reduction criteria should be changed to avoid encouraging retention of underused vehicles. Also, recommendations in chapter 5 with respect to maintaining meaningful utilization records will have to be adopted to permit effective monitoring of these regulations by GSA.

In addition, GSA needs to coordinate shuttle services established by various agencies within specific geographical areas. Finally, we believe the Congress may wish to explore the suitability of compact cars for meeting passenger vehicle requirements.

A GSA regulation effective November 29, 1973, required all executive agencies participating in GSA's Interagency Motor Pool System to reduce by 15 percent the number of miles motor vehicles are operated to achieve a corresponding fuel reduction. The Interagency Motor Pool System comprises about 59,000 of the more than 98,000 passenger vehicles within the entire Federal establishment. Some of the more important aspects of this regulation are:

- Stringently controlling vehicles for official use only.
- terminating assignments of sedans used mainly in pro-urban cities where public transportation is available.
- replacing eight-cylinder sedans used mainly for inter-agency operations with six-cylinder sedans by rotating vehicles between agencies.
- reviewing shuttle or group movement operations to insure use of passenger-carrying vehicles to rated capacities.
- substituting public transportation whenever possible.

The regulation also provided a criterion for removing vehicles from agencies failing to stay within the assigned mileage ceiling.

A supplement to this regulation, effective January 1, 1974, increased from 15 to 20 percent the reduction in the number of miles that passenger sedans in the Interagency Motor Pool System could be driven.

The most comprehensive regulation, EIC 74-1, effective January 21, 1974, was issued by GSA with EPA at the direction of the President. It provided that, beginning with the first calendar quarter of 1974, agencies should reduce all motor vehicle mileage by 20 percent from the comparable quarter of the previous year. The reduction was to be achieved for passenger sedans used by executive agencies, including owned vehicles, GSA Interagency Motor Pool vehicles, leased vehicles, and privately owned vehicles authorized for official travel. This circular expanded coverage to all executive agency vehicles as well as to privately owned vehicles.

On April 11, 1974, GSA changed the mileage reduction criterion from 20 percent back to 15 percent. According to the Administrator of General Services, this action was taken due to an increase in the supply of oil resulting from the recent lifting of the oil embargo and the positive response of Federal agencies to fuel conservation policies.

PMC 74-1 also provided that purchase of passenger sedans by executive departments be limited to compacts or subcompacts unless larger sedans are certified to the Administrator of General Services as being absolutely essential to the department's mission.

In addition, the regulations stated that all vehicles should be used on a pooled basis to encourage the highest use. This guideline should impact on the practice of some agencies, especially the military, of assigning vehicles and in some instances full-time drivers to specific individuals.

Basically, the fuel conservation measures in the GSA and FEA regulations concern three areas: (1) a 15-percent reduction in miles driven by the entire Government owned and leased vehicle fleet, (2) replacement of larger sedans with compacts or subcompacts, and (3) the use of alternative measures, such as increased use of carpools, shuttle buses, and public transportation.

REDUCTION IN MILEAGE

Our review of agencies compliant with the requirement to reduce miles driven in Government owned and leased vehicles by 15 percent identified two problem areas. One problem related to the method of measuring compliance with required mileage reduction. Another problem concerned the ability of GSA to effectively monitor the reduction program.

We found that the GSA formula for computing compliance with the 15-percent mileage reduction criterion encouraged retention of underused vehicles. For example, if an agency drove 12,000 miles in a quarter of the base year with 10 vehicles and retained the 10 vehicles, the quarterly mileage ceiling would be computed:

$$12,000 \times \frac{10}{10} \times 0.85 \text{ (100\% less the 15\% reduction)} = 10,200 \text{ miles}$$

However, if the agency wished to reduce the number of vehicles to eight, then the quarterly mileage ceiling was also reduced to:

$$12,000 \times \frac{8}{10} \times 0.85 = 8,160 \text{ miles}$$

Some agencies are reluctant to turn in vehicles because it would reduce their mileage ceilings. These agencies want to retain the 85-percent mileage allotment of the original base but use fewer vehicles.

We also found that certain agencies, namely, the Departments of Defense and Agriculture, were seeking exemptions to the 15-percent reduction. Exemptions, in our opinion, should be related to the use and need for the mileage accumulated. As shown in chapter 5, this type of vehicle management information has been wanting.

REPLACEMENT WITH COMPACTS

FMC-74-1 requires that, to conserve fuel, all sedans, with few exceptions, be replaced with compacts or subcompacts (types 1A and 1B) unless larger sedans are certified to GSA by agency heads as being essential to the agencies' missions. Such certifications are either included in the vehicle requests or submitted separately in cover letters.

Since FMC-74-1 was issued, GSA has ordered 5,948 compacts and no larger sedans for use in their motor pools. Conversely, individual agencies have requested GSA to order 555 compacts and 2,990 larger sedans for their respective fleets. The requests for the larger sedans were certified by the agencies as being essential to their missions.

These procurement actions indicate that GSA believes compacts are adequate for their needs; whereas individual agencies believe that larger sedans are needed to satisfy their requirements.

ALTERNATIVE MEASURES

We have looked into shuttle service where reduction in vehicle use could result. The GSA fuel-saving mileage reduction guideline, effective November 29, 1973 provided for review of shuttle or group movement operations. This guideline was to insure that each agency made maximum use of shuttle or group movement.

We have explored some aspects of the shuttle services within the Washington metropolitan area, where at least 13 Federal departments and agencies are involved in the operation of one or more passenger shuttle services of their own.

A minimum of 74 vehicles are required to maintain over 50 separate shuttle routes. The Government owns and operates some of these vehicles, while others are commercially owned buses operating under contract. These agencies, and most other agencies in the Washington metropolitan area, own or lease sedans and vehicles of various types which are being used for mail, messenger, and passenger service on an as-needed basis.

At present, no single agency provides the overview required to identify duplicate and unnecessary service or to determine requirements for establishment of new services. For example, currently there is shuttle service operating on 15 separate routes between northern Virginia and downtown Washington by the Departments of Defense, Agriculture, and State; GSA; and the Library of Congress. Likewise, there are seven departments and agencies operating shuttle service from Maryland suburbs to downtown Washington. There are also shuttle services within the Washington area.

AGENCY COMMENTS

In effect, GSA is relying on the executive agencies to comply with the 15-percent mileage reduction. GSA monitors the compliance through monthly reports required by temporary Federal Property Management Regulation G-15. GSA has given agencies the option of using January and February 1974 mileage as the base on which the 15-percent reduction will be applied.

GSA agrees that the mileage formula penalizes activities that reduce the number of their vehicles, but it serves as a good method for determining what the mileage reduction should be. Also as this problem arises, the officials discuss it with agency officials on a case-by-case basis to arrive at an equitable solution.

CONCLUSION

The GSA and FEA regulations, if properly implemented, could greatly reduce the use of Government owned and leased vehicles. It has already created a concern for the proper use of these vehicles.

However, certain problems must be corrected to permit proper implementation of these regulations. For example, we believe the method of measuring compliance with the mileage reduction criterion should be changed, as it presently encourages retention of underused vehicles.

We believe also that the degree to which vehicle miles can be reasonably reduced without detrimental effect on agency programs is closely linked to the soundness of the agencies' vehicle management information systems. The areas identified in chapter 5 with the accompanying recommendations for GSA and individual departments and agencies should form the foundation for such a system.

RECOMMENDATIONS

We recommend that the Administrator of General Services:

- Modify the mileage formula so as to not penalize, in terms of mileage allocations, those agencies which want to reduce their fleet size. In effect, the 15-percent mileage reduction should have two goals--reduce the number of miles driven and reduce the size of vehicle fleets. The net result should be the increased use of fewer vehicles.
- Grant no exemption to the 15-percent mileage reduction requirement without adequate justification from the agency, including the location, assignment, and use of the existing fleet. This would require the agency to develop a meaningful management information system on all phases of its vehicle operation before it could receive an exemption.
- Coordinate the shuttle service within a specific geographical area. For a consolidated system, a single-manager agency would have to determine the passenger, messenger, and mail needs of each agency and devise an economically feasible system which would meet the requirements of each agency.

There is one important problem regarding procuring compact vehicles. As previously stated, GSA is currently procuring all compact vehicles for motor pool use while individual agencies are ordering mostly larger vehicles. In view of

the divergent opinions on the suitability of compacts to meet passenger vehicle requirements, the Congress and the Ad Hoc Subcommittee may wish to discuss with individual agencies, during their appropriation hearings, their need for the larger vehicles.

CHAPTER 8

SOME OBSERVATIONS ON INDUSTRY PRACTICES

To objectively evaluate the management of Government owned and leased passenger vehicles, we made some inquiries into private industry's policies and practices for its passenger vehicles. We contacted the American Management Association, Inc. (AMA), the National Association of Fleet Administrators, Inc. (NAFA), and a large company doing substantial Government business.

Company cars were issued on a permanent basis to one or more levels of management personnel in 309, or 45 percent, of the companies AMA surveyed in 1973. Also, a survey NAFA made in 1973 of 109 vehicle fleets where vehicles were assigned to employees for normal company business use indicated most companies permitted personal use of the vehicles at specified charges.

Except for light sedans that were authorized to six executives with no restriction on use, the Government contractor maintained better utilization records and exercised tighter management control over its fleet of 83 sedans than did most Government installations.

EXECUTIVE VEHICLES

In regard to providing a company car to executives of private companies, we contacted the American Management Association, Inc. (AMA). In April 1973 AMA surveyed the use of company cars by private executives at 685 companies. The survey showed that 309 companies, or 45 percent, provided company cars on a permanent basis to one or more levels of management personnel. The survey did not involve the marketing and service personnel of these companies. The cars were provided only to top-level divisional or corporate executives in 170 companies. Middle-management executives were provided with cars in 113 companies, and various levels of personnel, depending on need, were eligible for cars in 26 companies. The survey revealed that 250 companies did not charge for personal use of the cars. When a charge was made, the amount varied; some companies charged a mileage rate, generally about \$0.04; others charged a flat monthly rate averaging \$20.

AMA's survey showed that chauffeurs were provided on a regular basis in 86 companies. The chauffeur drove the chairman in 17 companies, corporate or divisional chief executives in 47 companies, and vice presidents in 22 companies. In many companies, chauffeurs were available to top executives but were not provided on a regular basis.

VEHICLE FLEETS

NAFA deals primarily with the activities associated with vehicle fleets used by employees as a part of the normal company business. We obtained from NAFA its October 1975 survey on employees' personal use of company cars. A total of 196 fleets operating more than 141,000 passenger sedans participated in the survey that covered such personal use of company cars. The survey results showed that 96 percent of the fleets permitted personal use of company cars by employees. An interesting point was that 94 percent of the fleets permitted personal use of company cars by employees' spouses.

The survey showed that 90 percent of the companies required reimbursement for personal use of the car. About 75 percent was paid through expense-account reporting and 21 percent was paid through specific salary deductions.

Although the survey did not cover procedures used by the company to insure the adequacy of reimbursement for the use of a vehicle, we pursued this point with an NAFA official. He told us that it is usual company policy to place no particular requirement for support of miles driven. The expense reports, which constitute the major avenue for collection, generally receive some overall scrutiny, but he felt that this type of expense was not of much concern to the companies.

GOVERNMENT CONTRACTOR'S USE OF PASSENGER SEDANS

The Armed Services Procurement Regulation does not identify passenger sedans' expense as either allowable or unallowable in establishing the total contract. The regulation does provide that vehicle depreciation charged to the contract be consistent with income tax provisions. Passenger sedans used by Government contractors could fall into two basic categories: executive-type vehicles or normal business operation vehicles. The costs associated with these two types of

passenger sedans are generally in the overhead costs. The Government auditor, in any case, would evaluate the costs as they applied to the Federal contract and would determine whether the costs were reasonable and were consistent with operations in non-Government parts of business. Thus it is reasonable to assume that the costs of operating the vehicles would be reflected in contract prices.

To determine how such passenger sedans are controlled, we selected a large Government contractor.

The selected contractor had Government contracts representing about 90 percent of the company's operation. A fleet of 88 passenger sedans maintained by the contractor comprised 5 prestige sedans and 83 light sedans with some of the fleet's being commercially leased and some contractor owned. The contractor cannot obtain GSA-leased vehicles when some of its operations are non-Government.

The contractor supplied light sedans, at no cost and with no restriction on use, to six executives. The three prestige sedans are chauffeur driven and are assigned to the motor pool. The vehicles are used primarily for transportation between the airport and various plant sites and for tours for very important visitors.

The remaining sedans are assigned to specific divisions based on written justifications. Daily logs and records of trip purposes are kept for each sedan. A monthly mileage criterion of 1,000 miles has been set. Any sedan not being fully used is returned. These sedans are being closely scrutinized and continually evaluated.

We inquired into the audit by the cognizant audit agency and found that no exception to these costs had been made. The auditors had raised a question as to the relative economy of leasing versus purchasing vehicles. As a result of the audit, the contractor has been purchasing vehicles when it is cost beneficial.

CONCLUSIONS

The Government can not permit unrestricted personal use of its vehicles, even if it were to require reimbursement, as many private companies do. However, the Congress should

be aware of industry practices in this area, particularly if it acts on our suggestion (see p. 19) to consider restating the policy to clarify the types of positions and situations where personal use of vehicles may be authorized. Government activities should maintain as tight a control over general vehicle use as we found evident at the Government contractor's plant.

BEST DOCUMENT AVAILABLE

CHAPTER 9

SCOPE OF REVIEW

We reviewed the management and utilization of the Government's passenger vehicle fleet, worldwide. We also considered the impact of current fuel conservation policies on agency fleet operation.

To obtain comprehensive coverage at various agencies and in various geographical areas, we made our review at the following locations.

Agency for International Development	--Bangkok, Thailand
Agriculture, Department of	
Agriculture Research Service	--Western Region, Berkeley, California
Forest Service	--Eastern Region, Milwaukee, Wisconsin
	--Intermountain Region, Ogden, Utah
	--Wasatch National Forest, Salt Lake City, Utah
Soil Conservation Service	--Georgia State Office, Athens, Georgia
	--Area Office 2, Elberton, Georgia
	--Area Office 4, Decatur, Georgia
Air Force, Department of	
Eglin Air Force Base	--Florida
Kirtland Air Force Base	--New Mexico
U.S. Air Force, Europe	--Headquarters, Ramstein Air Force Base, Germany
	--322d Transportation Squadron, Rhein Main Air Force Base, Germany
U.S. Air Force, Pacific	--Headquarters, Hawaii

--Wheeler Air Force Base,
Hawaii
--Yokota Air Base, Japan
--Nakhon Phanom Air Base,
Thailand
--U-Tapao Air base, Thailand
--Udorn Air Base, Thailand

Army, Department of

California National
Guard
Criminal Investigation
Division Command

--Sacramento, California
--Schofield Barracks, Hawaii
--Okinawa Field Office, Japan
--Seoul, Korea
--District Office, San Francisco
California

Corps of Engineers

5th Army
5th Recruiting District

--Seoul, Korea
--Ft. Sheridan, Illinois
--Milwaukee, Wisconsin, Re-
cruiting Station

Forces Command

--Presidio of San Francisco,
California
--Fort Benning, Georgia
--Camp Tama, Japan
--Okinawa, Japan
--West Point, New York

Military Academy
Military District of
Washington, D.C.

Military Traffic
Management and Terminal
Service

--Bayonne, N.J.
--Brooklyn, N.Y.
--San Francisco, California
--Fort Shafter, Hawaii
--Headquarters, Heidelberg,
Germany
--V Corps, Frankfurt, Germany
--VII Corps, Stuttgart, Germany
--European Command, Stuttgart,
Germany

6th Recruiting District
Support Command
U.S. Army, Europe

Atomic Energy Commission

Operations Office
Nevada Test Site

--Chicago, Illinois
--Albuquerque, New Mexico

Sandia Laboratories	--Albuquerque, New Mexico
Civil Service Commission	--Region 12, San Francisco, California
Commerce, Department of	
National Bureau of Standards	--headquarters, Gaithersburg, Md.
	--Institute for Basic Standards, Boulder, Colorado
National Center for Atmospheric Research	--Boulder, Colorado
National Oceanic and Atmospheric Administration	--headquarters, Rockville, Md.
	--Environmental Research Laboratory Boulder, Colorado
Defense Supply Agency	
District of Columbia Government	
General Services Administration	--Region 5 Headquarters Chicago, Illinois
Health, Education, and Welfare, Department of	
Food and Drug Administration	--Chicago, Illinois Regional Office
	--New York, N.Y. regional office
	--San Francisco, California regional office
Social Security Administration	--San Francisco, California Region
Housing and Urban Development, Department of	--Chicago, Illinois regional office

	--San Francisco, California regional office
	--San Francisco, California area office
Interior, Department of	
Fish and Wildlife Service	--Wildlife Research Center, Denver, Colorado
Geological Survey	--Central Regional Headquarters, Denver, Colorado
Indian Affairs, Bureau of	--Southern Pueblo Agency, Albuquerque, New Mexico
Land Management, Bureau of	--State Office, Salt Lake City, Utah
Mining Enforcement and Safety Administration Training Center	--Denver, Colorado
Mines, Bureau of	--Denver, Colorado, Mining Research Center
National Park Service	--Denver, Colorado, Service Center
	--Rocky Mountain National Park, Estes Park, Colorado
Reclamation, Bureau of	--Engineering and Research Center, Denver, Colorado
Defense Contract Administration Service	--Chicago Illinois regional office
	--Fort Snelling, Minnesota district
	--Milwaukee, Wisconsin district
Justice, Department of	
Drug Enforcement Administration	--Region 2, New York, N.Y.
Federal Bureau of Investigation	--Chicago, Illinois Division
	--Milwaukee, Wisconsin Division
Labor, Department of	
Headquarters, Washington, D.C.	--Office of Assistant Secretary for Administration and Management

	--Labor Management Services Administration --Atlanta, Georgia
Region IV	
National Aeronautics and Space Administration	--Kennedy Space Center, Florida
Navy, Department of	--Yokosuka Naval Base, Japan --Naval District of Washington, D.C. --Pacific Fleet, Hawaii --U.S. Naval Activities, United Kingdom
SHAPE-NATO	--U.S. Element, Brussels, Belgium
State, Department of	--American Embassy, Brussels, Belgium --American Embassy, London, England --American Embassy, Tokyo, Japan --American Embassy, Seoul, Korea --American Embassy, Bangkok, Thailand
Transportation, Department of	
Federal Aviation Administration	--Great Lakes region Des Plaines, Illinois
Federal Highway Administration	--region VIII, Denver, Colorado
Treasury, Department of	
Customs, Bureau of	--New York, N.Y. regional office --San Francisco, California regional office
Internal Revenue Service	--Brooklyn, N.Y. district office --North Atlantic regional office New York, N.Y.

Tennessee Valley Authority

United Nations

Veterans Administration

VA Center
VA Hospital
VA Hospital

--Midwest regional office,
Chicago, Illinois
--Chicago, Illinois District
Office
--Milwaukee, Wisconsin District
Office

--Nashville, Tennessee

--U.S. Mission, New York, N.Y.

--Chicago Illinois, regional
Office

--Milwaukee, Wisconsin, regional
Office

--Fort Snelling, Minnesota

--Hins, Illinois

--Minneapolis, Minnesota

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APPENDIX I

11. U. S. GOVERNMENT AND CLASSIFICATION

TABLE I, II, AND III

	1950		1951		TOTAL
	Salary	Other	Salary	Other	
Legislative Branch					
U.S. Senate					
House of Representatives					
General Accounting Office					
Government Printing Office					
Library of Congress					
Total					
Judicial Branch					
Supreme Court of the United States					
Administrative Office of the U.S. Courts					
Total					
Executive Branch					
White House Office					
Office of the Vice President					
Total					
Executive Office of the President					
Office of Management and Budget					
Office of Economic Opportunities					
National Security Council					
Staff of Economic Advisors					
Total					
All Departments					
State					
Treasury					
Justice					
Interior					
Agriculture					
Commerce					
Labor					
Health, Education, and Welfare					
Housing and Urban Development					
Transportation					
Total					
Department of Defense					
Army					
Navy					
Marine Corps					
Air Force					
Dept. of Engineers, Civil Works					
Office of the Secretary of Defense					
Defense Supply Agency					
Defense Communications Agency					
Defense Intelligence Agency					
Defense Investigative Service					
Defense Nuclear Agency					
Defense Civil Preparedness Agency					
Total					
Other Agencies					
ACORN					
Agency for International Development					
American Battle Monuments Commission					
Appalachian Regional Commission					
Atomic Energy Commission					
Cabinet Committee on Opportunities for Spanish Speaking People					

APPENDIX I

Agency owned	Commercially		GSA		Total
	Owned	Leased	Owned	Leased	
Station	(Official)	(Official)	Station	Station	(Total)
Other Agencies (continued)					
Anal. Gene. Government	36	-	-	-	36
Civil Aeronautics Board	-	-	-	-	-
Consumer Products Safety Commission	-	-	-	-	-
District of Columbia	147	24	-	-	171
Environmental Protection Agency	-	-	-	-	-
Equal Employment Opportunity Commission	-	-	-	-	-
Federal Communications Commission	74	1	-	-	75
Federal Home Loan Bank Board	-	-	-	-	-
Federal Maritime Commission	-	-	-	-	-
Federal Power Commission	-	-	-	-	-
Federal Trade Commission	-	-	-	-	-
Foreign Claims Settlement Commission	-	-	-	-	-
General Services Administration	9,433	1,386	1	1	10,821
International Boundary and Water Commission, United States and Mexico	614	-	-	-	614
Interstate Commerce Commission	-	-	-	-	-
National Aeronautics and Space Administration	62	81	111	28	282
National Capital Planning Commission	-	-	-	-	-
National Credit Union Administration	-	-	-	-	-
National Gallery of Art	71	1	-	-	72
National Labor Relations Board	-	-	-	-	-
National Science Foundation	13	11	-	-	24
Overseas Private Investment Corporation	-	-	-	-	-
Panama Canal Company	553	8	-	-	561
Railroad Retirement Board	-	-	-	-	-
Renegotiation Board	-	-	-	-	-
Securities and Exchange Commission	-	-	-	-	-
Selective Service System	-	-	-	-	-
Small Business Administration	-	-	-	-	-
Smithsonian Institution	4	4	-	-	8
Tennessee Valley Authority	942	-	-	-	942
U.S. Civil Service Commission	-	-	-	-	-
United States Information Agency (note g)	145	75	-	-	220
United States Postal Service (Administrative Vehicles)	464	-	-	-	464
U.S. Soldiers Home	67	-	-	-	67
Veterans Administration	42	4	-	-	46
Water Resources Council	-	-	-	-	-
Total	12,250	2,227	112	29	14,618
Total	25,512	5,717	1,212	1,127	32,568

^aStation wages.

^bInformation furnished by GSA.

^cIncludes Arms Control and Disarmament Agency.

^dDetails not available. May include some station wages.

^eDetails not available. May include some station wages and commercially leased vehicles.

^fGSA owned, as reported by GSA.

	Station	Leased	Total
Dispatch fleet	1,131	877	2,008
In storage	1,131	1,330	2,461
	<u>2,262</u>	<u>2,207</u>	<u>4,469</u>
Assigned to agencies			27,100
			<u>31,569</u>

^gData not available on all countries due to Middle East situation.

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APPENDIX II

SUMMARY OF AGENCY OPERATED PRESTIGE SEDANS

Agency	Number of vehicles	
	As of 10-30-73	As of 5-31-74
Legislative branch:		
U.S. Senate	14	
House of Representatives	6	
Architect of the Capitol	1	
General Accounting Office	2	
Government Printing Office	1	
Library of Congress	1	
Total	25	
Judicial branch:		
Supreme Court of the United States	2	
Administrative Office of the U.S. Courts	1	
Total	3	
Executive branch:		
White House Office	15	4
Office of the Vice President	2	
Total	17	4
Executive Office of the President:		
Office of Management and Budget	2	
Office of Economic Opportunity	1	
Office of the Special Representative for Trade Negotiations	1	
Council on Environmental Quality	1	
Office of Telecommunications Policy	1	
Total	6	
Civil departments:		
State	104	5
Treasury	25	11
Justice	15	11
Interior	8	
Agriculture	5	
Commerce	2	1
Education	1	
Health, Education and Welfare	1	
Housing and Urban Development	1	
Transportation	11	
Total	173	28
Department of Defense:		
Air Force	37	
Navy	28	
Marine Corps	4	
Air Force	30	
Office of the Secretary of Defense	11	
Defense Civil Control Agency	1	
Total	111	

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APPENDIX II

VEHICLES

- Agency for International Development
- Atomic Energy Commission
- Civil Aeronautics Board
- Consumer Products Safety Commission
- Cost of Living Council
- District of Columbia Government
- Environmental Protection Agency
- Equal Employment Opportunity Commission
- Export-Import Bank
- Farm Credit Administration
- Federal Communications Commission
- Federal Deposit Insurance Corporation
- Federal Home Loan Bank
- Federal Maritime Administration
- Federal Mediation and Conciliation Service
- Federal Power Commission
- Federal Reserve System
- Federal Trade Commission
- General Services Administration
- Interstate Commerce Commission
- NASA
- National Credit Union
- National Labor Relations Board
- National Science Foundation
- Overseas Private Investment Corporation
- Railroad Land Company
- Railroad Retirement Board
- Senegotation Board
- Securities and Exchange Commission
- Selective Service System
- Small Business Administration
- Civil Service Commission
- U.S. Information Agency
- U.S. Postal Service
- U.S. Rangers Home
- U.S. Tariff Commission
- Veterans Administration

Total

Total

*Includes 101 protective service vehicles in use as of 6-30-73. Current info available.