

093296



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON REGIONAL OFFICE
FIFTH FLOOR
803 WEST BROAD STREET
FALLS CHURCH, VIRGINIA 22046

August 23, 1972

Mr. R. Dan Mahaney
Manager, National Capital Airports
Hanger 9, Washington National Airport
Washington, D.C. 20001

DLG05-707

Dear Mr. Mahaney:

As you know, our office recently completed a survey of motor vehicle operations at Dulles International Airport (Dulles), Chantilly, Virginia. We concentrated on the utilization and maintenance of those motor vehicles known as "mobile lounges" and "plane mates" (hereafter referred to as passenger vehicles) which are used at Dulles to transport passengers between the airport terminal and aircraft. Each passenger vehicle carries more than 100 passengers, costs about \$250,000 to purchase, and incurs operation and maintenance costs (including depreciation) of about \$80,000 a year. During our survey we saw an opportunity to reduce the operation and maintenance costs of these vehicles and discussed our observations in a meeting with Mr. Dexter P. Davis, Chief, Operations and Safety Division, Dulles, Mr. John Kerr, Chief, Engineering and Maintenance Division, Dulles, and other officials. During that meeting, we were advised that a study would be undertaken by Dulles relating to this matter. We are summarizing the results of our work for your information.

Dulles currently has a working inventory of 33 passenger vehicles. The first 21 vehicles, "mobile lounges", were bought during the period 1961 through 1963 for about \$4.9 million--or about \$234,000 per unit. The other 12 vehicles, "plane mates", were bought during fiscal years 1971 and 1972 for about \$3.08 million--or about \$257,000 per unit.

Although airlines are charged for using these passenger vehicles, we found that the usage fee covers less than one-third of the cost of operating the vehicles and that Dulles is incurring a loss from this service of about \$1 million a year. Usage fees are fixed by contract and cannot be increased until the contracts are renewed, therefore, the current loss from this service can be reduced only through a reduction of the operation and maintenance costs of these vehicles. One way of accomplishing this is by currently maintaining the minimum number of passenger vehicles needed to effectively perform the passenger carrying services at the airport.

713830

093296

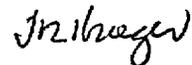
Because the month of June is historically the busiest month of the year for passenger traffic at Dulles, we examined the records for June 1971 and found that, on the average, only 16 passenger vehicles were used during the daily peak hour of 5 to 6 p.m. and that at no time during that month were more than 20 vehicles used during the peak hour. Our analysis of utilization records and our observation that only 15 passenger vehicle operators are on duty during the daily peak hour of the busiest month, leads us to believe that some vehicles are apparently excess to Dulles' current operational needs.

We discussed this matter with Dulles officials and were informed that the volume of passenger traffic and aircraft operations since June 1971 has increased but that some of the passenger vehicles might not be needed. One of the officials roughly estimated that between 24 and 26 passenger vehicles are currently required and, therefore, that between seven and nine might be excess to Dulles' needs.

In view of the opportunity to reduce operation and maintenance costs, we believed that a study to determine the number of passenger vehicles which may be excess to both the current needs and short-term future needs of the airport would be useful. We suggest that this study include an analysis of fixed and variable costs associated with operating the passenger vehicles and that these costs be given consideration in measuring the economies that could be achieved through action such as selling the excess passenger vehicles or possibly "mothballing" them for future use. We provided the information on operation and maintenance costs accumulated by us to Mr. Clyde Bingman, Chief, Financial Management Division, Dulles, and are available to provide any further assistance that is desired.

We would appreciate your views and comments on the above, together with advice of the results of your study. We would like to take this opportunity to acknowledge the courtesies and cooperation extended to our representatives by your staff.

Sincerely yours,



H. L. Krieger
Regional Manager