



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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IN REPLY REFER TO: B-103315

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OFFICE OF GENERAL COUNSEL

NOV 9 1978

Javier Pinel, Owner  
Americas Tours  
2307 Seattle Tower  
1218 Third Avenue  
Seattle, Washington 98101

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Dear Mr. Pinel:

In your letter of July 26, 1978, you advise that the Department of the Army has denied your request to open a travel agency office on the military reservation at Fort Lewis, Washington. You express the view that the prohibition against locating travel agencies on military reservations may be premised on the regulations issued by our Office. You ask whether the denial of access to Fort Lewis by your travel agency is not discriminatory since other travel agencies are allowed at "Travis, McGuire and El Toro," apparently a reference to Travis Air Force Base, California, McGuire Air Force Base, New Jersey, and the Marine Corps Base at El Toro, California.

The Department of the Army is vested with sole responsibility for the regulation of all activities at Fort Lewis, Washington, and the regulations of our Office neither permit nor prohibit the placement of travel agencies on military reservations.

We are not aware of the location of any travel agencies on the bases at McGuire or El Toro. And it is our understanding that the travel agency at Travis Air Force Base has grandfather rights which predate the military prohibitions against the location of travel agencies on military bases.

Under airlines' agreements with the Government, traffic offices have been established at over 165 of the larger Government installations. Those ticket offices are stocked with supplies and staffed

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with personnel by the airlines without cost to the Government. Teleticketing machines are used to issue tickets directly within many other Government agencies. Airline tickets also are furnished by mail and by pickup at will-call desks located at airport terminals.

Since all flight reservations must be made and confirmed with the airlines, any cancellations or changes in flight plans, which frequently occur, can be effected more readily and with less likelihood of error by dealing directly with the carriers. Arrangements also can be made for the transportation of footlockers, military impedimenta and other freight which frequently accompanies official Government travelers. In addition, certain lower air fares are available only if the Government purchases the air travel directly from the air carriers. And in any event, the airlines, pursuant to their sales agency agreements on file with the Civil Aeronautics Board, would not pay commissions to their designated travel agents on official Government passenger travel. It is the view of the airlines that the role of their travel agents is to promote and develop new traffic. The airlines thus have determined to serve the Government directly.

Changes and modification in travel arrangements generally result in adjustments in the total charges payable by the Government. Section 322 of the Transportation Act of 1940, as amended, 49 U.S.C. 66 (Supp V, 1975), provides that payment for transportation of persons or property for or on behalf of the United States by any carrier or forwarder shall be made upon presentation of bills therefor, prior to audit by the General Services Administration (GSA), but the right is expressly reserved to the United States Government to deduct the amount of any overcharge by any carrier or forwarder from any amount subsequently found to be due such carrier or forwarder. Our emphasis.

To implement these statutory provisions and to enable the performance of the duties imposed on the General Accounting Office (GAO), by the Budget and Accounting Act, 1921, 31 U.S.C. 1, et seq., regulations have been issued by GSA and GAO for use in the audit and settlement of carrier accounts. The pertinent provisions relating to travel agencies are published in section 52.3 of Title 4 of the Code of Federal Regulations.

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While the use of travel agencies is prohibited, their use is authorized in section 52.3 for travel within foreign countries, between foreign countries or from foreign countries to the United States and its possessions, such use being permitted only when authorized under agency administrative regulations and only if the transportation services cannot be procured directly from American carriers at the place where the travel originates. The primary purpose of the exception is to enable Government personnel to obtain transportation in those foreign areas in which the local carriers refuse to honor Government Transportation Requests.

For the reasons above stated, the Government has long followed a policy of doing business directly with the carriers. We believe that direct procurement from the carriers is more efficient and economical than if travel agents were introduced into the procurement of the transportation services. Since the air carriers do not pay commissions on official Government travel, and since the Government pays no more than the published air fares, there is no source of compensation to the travel agents on official Government travel.

The foregoing policy does not, of course, prevent the use of travel agencies by Government employees to purchase transportation or any other services necessary for the personal travel of themselves or their families.

Sincerely yours,

L. Mitchell Dick

L. Mitchell Dick  
Assistant General Counsel