



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D C 20548

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LOGISTICS AND COMMUNICATIONS  
DIVISION

AUGUST 29, 1979

B-103315



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The Honorable Charles McC. Mathias, Jr.  
United States Senate

Dear Senator Mathias:

*AGC00026*

Subject: Constituent's Concern over the Social Security Administration not taking Advantage of Discount Air Fares (LCD-79-228)

Your letter of May 17, 1979, asked for our findings and views on a constituent's complaint concerning airline fares being paid by the Social Security Administration (SSA) in Baltimore, Maryland. Specifically, Texas International Airlines had quoted the constituent a fare of \$230 for round trip transportation from Baltimore, Maryland, to Albuquerque, New Mexico. However, when he received his ticket from the SSA travel office the constituent noticed that the Government had been charged \$374--\$144 more than the discount fare quoted. Although the constituent was able to obtain a refund for SSA, he was concerned that the Government may not be taking full advantage of discount fares offered by airlines.

Texas International's discount fares, for which the constituent was eligible, were originally effective from April 1, 1979, through May 31, 1979. The fares have since been extended on a month-by-month basis.

The travel office was not able to obtain a discount on the constituent's ticket when the reservation was made because of problems resulting from the United Airlines strike. The heavy workload imposed on other airlines by the strike made it difficult for the travel office staff to reach and maintain contact with these airlines to obtain information on the availability of discount fares. In addition, a change in the computer coding for Texas International discount fares was made in the middle of May, but the change was not passed on to the travel office. As a result, when the travel staff queried the computer, the discount fares for Texas International did not show up.

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SSA's travel policy is to use discount fares to the maximum extent possible. While Texas International has no restrictions on its discount fares, many other airlines have complicated restrictions:

- Some allocate only a few seats on each flight for discounts.
- Others deny discounts during high volume peak travel hours or require that travelers not travel over weekends.
- Still others stipulate that travel must be for at least 7 days, but not more than 30 days.
- Some airlines require that reservations be confirmed at least 30 days in advance.

These varying restrictions make it difficult for agencies to take full advantage of discount fares.

We examined SSA's ticket purchases for April and May 1979 and found that about 6 percent of the tickets (43 out of 706) may have qualified for discount fares. These discounts represented potential savings of about \$3,000. As a result of our audit, SSA has requested a refund of about \$1,000 from Texas International Airlines for those travelers who were booked at the higher fares. The remainder cannot be recovered because travel was by other airlines whose restrictions cannot be satisfied retroactively. SSA is now using Texas International Airlines whenever practical to maximize the use of discount fares.

We discussed the use of discount fares with General Services Administration officials responsible for issuing Government travel regulations. They said that with the proliferation of discount fares it is nearly impossible to keep agencies informed. They have studied the most heavily traveled routes and are planning to negotiate with the airline industry for a straight discount on all Federal travel.

We are enclosing a copy of a GAO report (FGMSD-78-46, dated July 21, 1978), in which we discuss how the use of discount airline fares and teleticketing would help save on Government travel expenses. In this report, we recommended that the General Services Administration inform Federal agencies of discount air fares available between commonly traveled locations. We also recommended that heads of departments and agencies review their use of discount airline fares and inform

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employees of the potential for savings. We are preparing a letter to the General Services Administration asking that, as a part of its audit oversight, transportation payments be screened in an effort to identify instances where discount fares are being overlooked.

We discussed our findings with your constituent. He said he was sure the SSA travel office is now well aware of its responsibility to use discount fares, and he was pleased with the results of our investigation.

Copies of this report are being sent to the Commissioner, Social Security Administration; the Secretary of Health, Education, and Welfare; and the Assistant Commissioner, Office of Transportation and Travel Management, General Services Administration.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. W. Gutmann". The signature is written in a cursive style with a large, sweeping initial "R".

R. W. Gutmann  
Director

Enclosure