



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

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B-199963

August 27, 1980

The Honorable Jim Wright
House of Representatives

Dear Mr. Wright:

We refer to your letter of July 31, 1980, in which you request our consideration of a letter from Beth Stanbrough of the Lone Star Travel Center, a travel agency located in Fort Worth, Texas. Ms. Stanbrough believes that travel agents should be permitted to procure tickets for official Government travel. She states that several agencies in the Federal building in Fort Worth have approached her concerning use of services offered by her travel agency but she has had to refuse the business because of the prohibition against the use of travel agents to procure official Government travel.

The current prohibition against the use of commercial travel agents by the Federal Government was promulgated by the General Accounting Office (GAO) and is contained in 4 Code of Federal Regulations 52.3. The prohibition has been in effect for many years and there are a variety of reasons for this. One reason is our concern that if travel agents handled Government travel, it would cost more than dealing directly with the carriers. We also are concerned that the public and the Government would pay higher air fares if the airlines must pay commissions on Government travel procured by travel agents. Also, travel agents may be unfamiliar with statutes and regulations concerning Government travel and this could render enforcement of those provisions more difficult.

We studied the effects of our prohibition in 1978 at the request of the House Committee on Small Business and on August 8, 1978, we issued the results of our study which showed inconclusive benefits from lifting the prohibition. We also testified on the results of that report on August 9, 1978, before the Subcommittee on Special Small Business Problems, House Committee on Small Business. The House Committee on Small Business on July 16, 1979, issued House Report No. 96-339 and recommended that GAO remove its long-standing prohibition. The Subcommittee Chairman also wrote to GAO on July 25, 1979, asking what action we planned to take on the Committee's recommendation.

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In response, we issued a circular letter, dated August 20, 1979 (copy enclosed), to the heads of all Government agencies and departments stating our willingness to lift the ban for individual agencies on the basis of analyses that adequately demonstrate economies to be achieved or to allow tests of the use of travel agents for the purpose of demonstrating whether savings and efficiencies will result.

As the circular indicates, any Federal agency may submit a plan to this Office which provides reasonable evidence that permitting the use of travel agents will result in a more efficient and less costly travel operation. In this way, we expect that travel agents will now have the opportunity to participate in the Government travel market and to demonstrate that use of travel agents will be beneficial to the Government. Because of our new position concerning the use of travel agents, those Federal agencies in Fort Worth, in their discretion, can consider the use of travel agents and submit a plan to GAO requesting an exemption from our prohibition. We recently granted exemptions to our prohibition to both the Employment and Training Administration of the United States Department of Labor and to the Office of the Inspector General of the Department of State to carry out tests of the use of travel agents for a 1-year period.

We also wish to point out that the Air Traffic Conference Sales Agency Agreement, Resolution 90.2, paragraph 11, filed with the Civil Aeronautics Board (CAB), which prohibits airline payment of commissions to travel agents on Government travel is under study by the CAB with hearings scheduled to begin in the summer of 1980.

For your information we are also enclosing copies of our letter of August 20, 1979, B-103315, to the Chairman, Subcommittee on Special Small Business Problems, Committee on Small Business, House of Representatives and of our report, LCD-78-219, entitled "A Look at the Prohibition on Using Commercial Travel Agents," dated August 8, 1978.

The enclosure to your letter is returned as requested.

Sincerely yours,

Harry R. Van Cleave

For the Comptroller General
of the United States

Enclosures