



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

*Soldier*

11448

B-103315

September 19, 1979

*Do not make available to public reading*

The Honorable S. I. Hayakawa -  
United States Senate

*(Sam) listed as in directory*

Dear Senator Hayakawa:

On September 6, 1979, we received correspondence forwarded to us by W. M. Paz, Assistant Administrator for Human Resources and Organization, General Services Administration in which you request a response to the concerns expressed to you in a telegram from Mr. John W. Lydecker of Walnut Creek, California. Mr. Lydecker states he is directly involved in the present system of providing travel services and expressed his concern that should the prohibition against the use of commercial travel agents by the Federal Government be removed, it could result in a loss of jobs in his field and increased Government travel costs.

Since the current prohibition against the use of commercial travel agents by the Federal Government is embodied in regulations of the General Accounting Office (GAO), your request for a response to Mr. Lydecker's concerns has been referred to our Office.

Over the years GAO has periodically reviewed its prohibition and consistently determined that the prohibition should stay in effect. We studied the effects of our prohibition again 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 House Small Business Subcommittee on Special Small Business Problems. The House Small Business Committee on July 16, 1979, issued House Report No. 96-339 and recommended that GAO remove its longstanding prohibition. The Subcommittee Chairman also wrote to GAO on July 25, 1979, asking what action we planned to take on the Committee's recommendation.

*HSE  
5-312*

On further consideration of the issue, we have concluded that removal of the prohibition is inappropriate, but recognizing that economies might be possible through the use of travel agents and taking into account the subcommittee's study and recommendation, we have issued a circular letter (copy enclosed) to the heads of all Government agencies and departments.

*Letter 507022*

B-103315

In the circular letter, we have stated 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 plan which is submitted to this Office must provide reasonable evidence that permitting the use of travel agents will result in a more efficient and less costly travel operation. In the presentation of such evidence and subsequent GAO review, consideration would certainly be given to the concerns expressed by Mr. Lydecker.

Sincerely yours,

  
Deputy Comptroller General  
of the United States

Enclosure