



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

AUG 26 2008

**TO:** Joe Ellis  
Assistant Secretary for Administration  
and Management

**FROM:** Daniel R. Levinson *Daniel R. Levinson*  
Inspector General

**SUBJECT:** Use of Discounted Airfares by the Office of the Secretary (A-03-07-00500)

The attached final report provides the results of our review of the use of discounted airfares by the Office of the Secretary (OS).

Under its city-pair program, the General Services Administration (GSA) awards competitive contracts for air transportation services for Federal employee travel between specified destinations, called city pairs. For many city pairs, two contract fares are available: a discounted fare (which we refer to as the "standard" fare) and a highly discounted fare (which we refer to as the "discounted" fare). The discounted fare imposes no restrictions, but seating availability is limited. During our audit period (fiscal year (FY) 2006), travelers, with certain exceptions, were required to use a GSA contract fare for air travel.

OS uses the GovTrip Web-based travel system, which a GSA contractor developed, to plan and authorize travel. During FY 2006, OS spent approximately \$4 million for employee airfare.

Our objective was to determine the extent to which OS travelers used discounted fares for air travel.

During FY 2006, OS travelers used discounted airfares for only 721 (16 percent) of the 4,397 trips that were potentially available at both standard and discounted fares. According to GSA, Governmentwide during this period, Federal civilian employees used discounted airfares for an average of 50 percent of the domestic trips for which both standard and discounted fares were available. We calculated that OS potentially could have saved:

- \$529,857 if OS travelers had used discounted fares for all trips for which such fares were potentially available or
- \$180,151 if OS travelers had used discounted fares at the average 50-percent Governmentwide utilization rate.

Many of the OS travelers who responded to our survey had a poor understanding of the city-pair fare options and did not know how to identify trips with discounted fares in the GovTrip system. As a result, they were often unaware of those lower cost fares.

We recommend that OS:

- increase the understanding of OS travelers and administrative staff by educating them on how to identify and select discounted fares in GovTrip and
- work with GSA to clarify the display of flights and fares in GovTrip, such as by including discounted fares on the first screen that lists available flights and displaying discounted fares before standard fares, so that OS travelers can more easily locate and select discounted fares.

In comments on our draft report, OS concurred with our recommendations.

Pursuant to the principles of the Freedom of Information Act, 5 U.S.C. § 552, as amended by Public Law 104-231, Office of Inspector General reports generally are made available to the public to the extent the information is not subject to exemptions in the Act (45 CFR part 5). Accordingly, this report will be posted on the Internet at <http://oig.hhs.gov>.

Please send us your final management decision, including any action plan, as appropriate, within 60 days. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Lori S. Pilcher, Assistant Inspector General for Grants, Internal Activities, and Information Technology Audits, at (202) 619-1175 or through e-mail at [Lori.Pilcher@oig.hhs.gov](mailto:Lori.Pilcher@oig.hhs.gov). Please refer to report number A-03-07-00500 in all correspondence.

Attachment

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**USE OF DISCOUNTED AIRFARES  
BY THE OFFICE OF THE  
SECRETARY**



Daniel R. Levinson  
Inspector General

August 2008  
A-03-07-00500

# ***Office of Inspector General***

<http://oig.hhs.gov>

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# *Notices*

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## **THIS REPORT IS AVAILABLE TO THE PUBLIC**

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Pursuant to the principles of the Freedom of Information Act, 5 U.S.C. § 552, as amended by Public Law 104-231, Office of Inspector General reports generally are made available to the public to the extent the information is not subject to exemptions in the Act (45 CFR part 5).

## **OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS**

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

The General Services Administration's (GSA) Federal Travel Regulation, which governs Federal employee travel, requires travelers, with certain exceptions, to use a GSA contract fare for air travel. Under its city-pair program, GSA awards competitive contracts for air transportation services between specified destinations, called city pairs, based on the best overall value to the Government. For many city pairs, two contract fares are available: a discounted fare (which we refer to as the "standard" fare) and a highly discounted fare (which we refer to as the "discounted" fare). The discounted fare imposes no restrictions, but seating availability is limited. Thus, Federal travelers who can book early or who have flexible travel schedules have a better chance of receiving the discounted fare.

The Department of Health and Human Services, including the Office of the Secretary (OS), uses the GovTrip Web-based travel system, which a GSA contractor developed, to plan and authorize travel. During fiscal year (FY) 2006, OS spent approximately \$4 million for employee airfare.

### **OBJECTIVE**

Our objective was to determine the extent to which OS travelers used discounted fares for air travel.

### **SUMMARY OF FINDING**

During FY 2006, OS travelers used discounted airfares for only 721 (16 percent) of the 4,397 trips that were potentially available at both standard and discounted fares. According to GSA, Governmentwide during this period, Federal civilian employees used discounted airfares for an average of 50 percent of the domestic trips for which both standard and discounted fares were available. We calculated that OS potentially could have saved:

- \$529,857 if OS travelers had used discounted fares for all trips for which such fares were potentially available or
- \$180,151 if OS travelers had used discounted fares at the average 50-percent Governmentwide utilization rate.

Many of the OS travelers who responded to our survey had a poor understanding of the city-pair fare options and did not know how to identify trips with discounted fares in the GovTrip system. As a result, they were often unaware of those lower cost fares.

## **RECOMMENDATIONS**

We recommend that OS:

- increase the understanding of OS travelers and administrative staff by educating them on how to identify and select discounted fares in GovTrip and
- work with GSA to clarify the display of flights and fares in GovTrip, such as by including discounted fares on the first screen that lists available flights and displaying discounted fares before standard fares, so that OS travelers can more easily locate and select discounted fares.

## **OFFICE OF THE SECRETARY COMMENTS**

In comments on our draft report (Appendix D), OS concurred with our recommendations.

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## INTRODUCTION

### BACKGROUND

#### **Federal Travel Regulation**

The General Services Administration (GSA) issues the Federal Travel Regulation (FTR) (41 CFR Chapters 300–304), which governs Federal employee travel. The FTR covers a wide range of subjects, including transportation allowances, and requires travelers, with certain exceptions, to use a GSA contract fare for air travel. The FTR also requires agencies to select the method of travel most advantageous to the Government when cost and other factors are considered (41 CFR § 301-10.4).

#### **City-Pair Program**

Under its city-pair program, GSA awards competitive contracts for air transportation services for official Government travel between specified destinations, called city pairs, based on the best overall value to the Government. The award process considers the type, distribution, and number of flights; the average flight time; and the offered price.

For many city pairs, the program offers two contract fares: a discounted “unrestricted” fare and a highly discounted “capacity-controlled” fare. We refer to the unrestricted fare as the “standard” fare and to the capacity-controlled fare as the “discounted” fare. Both fares are fully refundable, and neither fare has advance purchase requirements, minimum or maximum stay requirements, travel time limits, or blackout periods. However, the discounted fare has limited available seating, which varies by carrier and destination. Thus, Federal travelers who can book early or who have flexible travel schedules have a better chance of receiving the discounted fare.

In fiscal year (FY) 2006, 13 airlines<sup>1</sup> participated in the city-pair program, for a total of 4,703 city pairs. Standard fares were available for all 4,703 city pairs, and discounted fares were available for 2,390 of these city pairs.

#### **Office of the Secretary Travel**

The Department of Health and Human Services (HHS), Office of the Secretary (OS), spent approximately \$4 million for employee airfare during FY 2006. HHS uses the GovTrip Web-based travel system, which a GSA contractor developed, to plan and authorize travel and to calculate and approve reimbursements. Through its relationship with Omega World Travel (Omega), the travel agent for HHS, GovTrip provides reservation and ticketing services. The GovTrip system refers to the standard fare as the “GSA City Pair” fare and to the discounted fare as the “GSA City Pair w/Capacity Limits” fare.

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<sup>1</sup>In FY 2006, the participating airlines were Air Tran, Alaska, American, American West, ATA, Delta, Frontier, Hawaiian, Midwest, Northwest, Southwest, United, and US Airways.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

### **Objective**

Our objective was to determine the extent to which OS travelers used discounted fares for air travel.

### **Scope**

During FY 2006, 1,521 OS travelers made 8,113 one-way trips by air. We excluded 3,716 trips from our audit because no discounted fares were available for them. We audited the remaining 4,397 trips. OS paid \$1,712,821 for 3,676 of the 4,397 trips at standard fares and \$297,647 for 721 trips at discounted fares.

We judgmentally selected 144 frequent FY 2006 OS travelers for a brief survey to assess their understanding of discounted fares. Of the 144 travelers, 62 responded to the survey. (See Appendix A for the complete survey results.)

Neither the GovTrip contractor nor Omega maintained historical data on discounted fares actually available at the time of booking. As a result, we could not determine the actual savings that OS could have achieved by using discounted fares to a greater extent.

We reviewed only those internal controls considered necessary to achieve our objective, including the plans, policies, and procedures used to measure, report, and monitor the effectiveness and efficiency of obtaining discounted air fares.

We performed our fieldwork at OS in the District of Columbia from August to December 2007. We conducted our survey of OS travelers via e-mail in November 2007.

### **Methodology**

To accomplish our objective, we:

- reviewed relevant sections of the FTR and GSA's city-pair program;
- reviewed an Omega database listing all flights that OS travelers took in FY 2006 and the types of fares that they received;
- sorted the fares into three categories: standard fares, discounted fares, and other fares for travel not included in the city-pair program;
- identified trips for which both standard fares and discounted fares were potentially available;
- calculated the trips made using discounted fares as a percentage of all trips for which both standard and discounted fares were potentially available;

- calculated the potential savings from using discounted fares for all trips for which such fares were available but not selected;
- reviewed GSA’s Governmentwide data on the use of discounted fares by Federal civilian employees;
- surveyed 144 frequent OS travelers via e-mail using an eight-question survey; and
- evaluated and summarized the responses of the 62 OS travelers who responded to our survey.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

### **FINDING AND RECOMMENDATIONS**

During FY 2006, OS travelers used discounted airfares for only 721 (16 percent) of the 4,397 trips that were potentially available at both standard and discounted fares. According to GSA, Governmentwide during this period, Federal civilian employees used discounted airfares for an average of 50 percent of the domestic trips for which both standard and discounted fares were available. We calculated that OS potentially could have saved:

- \$529,857 if OS travelers had used discounted fares for all trips for which such fares were potentially available or
- \$180,151 if OS travelers had used discounted fares at the average 50-percent Governmentwide utilization rate.

Many of the OS travelers who responded to our survey had a poor understanding of the city-pair fare options and did not know how to identify trips with discounted fares in the GovTrip system. As a result, they were often unaware of those lower cost fares.

### **FEDERAL REQUIREMENTS**

During our audit period, the FTR required the use of city-pair fares for civilian employee air travel. Section 301-10.107 of the FTR states: “You must always use a contract city-pair fare for scheduled air passenger transportation service” unless certain exempt conditions exist.<sup>2</sup> Section 301-70.100 requires that agencies “(a) [l]imit authorization and payment of transportation expenses to those expenses that result in the greatest advantage to the Government; (b) [e]nsure that travel is by the most expeditious means practicable.” Effective

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<sup>2</sup>Effective September 22, 2006, the FTR redesignated this section as 301-10.106. Exempt conditions can be found in revised sections 301-10.107 and 301-10.108, “Federal Travel Regulation: Egov Travel Services (ETS) and Use of Contract City-Pair Fares,” 71 Fed. Reg. 49374 (Aug. 23, 2006).

September 22, 2006, GSA added note 3 to the newly designated section 301-10.107. The note states: “. . . the traveler should use the lower cost capacity-controlled [discounted] fare when it is available and meet [sic] mission needs.”

## **POTENTIAL SAVINGS FROM DISCOUNTED AIRFARES**

During FY 2006, OS travelers used discounted airfares for only 721 (16 percent) of the 4,397 trips that potentially were available at both standard and discounted fares. OS travelers used standard airfares for the remaining 3,676 trips (84 percent). For each of the 3,676 trips, we computed the difference between the standard fare and the discounted fare. OS potentially could have saved \$529,857 if travelers had used discounted fares for these trips.

According to GSA, Federal civilian employees Governmentwide used discounted airfares for an average of 50 percent of the domestic trips for which both standard and discounted contract fares were available. Had OS travelers used discounted fares at the average Governmentwide utilization rate, OS potentially could have saved \$180,151.<sup>3</sup>

## **INSUFFICIENT UNDERSTANDING OF DISCOUNTED FARE OPTION**

We surveyed 144 OS travelers to assess their understanding of standard and discounted fares. Of those surveyed, 62 responded. The responses indicated a poor understanding of Government fares:

- Fifty-nine percent of the respondents stated they were unaware that GovTrip showed the discounted fare as GSA City Pair w/Capacity Limits.
- Fifty-five percent of the respondents stated that they learned that GSA City Pair is the standard fare and that GSA City Pair w/Capacity Limits is the discounted fare only by taking the survey.
- Fifty-four percent of the respondents stated that at the time of booking their last flight, they did not search for a GSA City Pair w/Capacity Limits fare.

To book a trip through GovTrip, an employee first inputs travel dates and desired departure and arrival airports. On the next screen, which is illustrated in Appendix B, GovTrip displays the available flights in the following order: (1) GSA City Pair and (2) other (i.e., non-Government contract fares). For each of these flights, GovTrip shows the flight number, times of arrival and departure, and airline. GovTrip does not indicate on this screen whether the flight is also available at a discounted fare, i.e., a GSA City Pair w/Capacity Limits fare. It is not until the employee selects a trip for pricing that the next screen, illustrated in Appendix C, shows whether a discounted fare is available. If a discounted fare is available, this screen displays the standard GSA City Pair fare at the top of the screen highlighted in green. The discounted GSA City Pair w/Capacity Limits fare is shown below it, highlighted

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<sup>3</sup>To determine the savings at the Governmentwide average utilization rate, we multiplied the savings from full use of discounted fares (\$529,857) by the net gain of 34 percent (50 percent less 16 percent).

in yellow. The standard fare therefore appears to be the preferred fare. Without a good understanding of the city-pair program and GovTrip, it may be difficult for employees to select the discounted fare.

## **RECOMMENDATIONS**

We recommend that OS:

- increase the understanding of OS travelers and administrative staff by educating them on how to identify and select discounted fares in GovTrip and
- work with GSA to clarify the display of flights and fares in GovTrip, such as by including discounted fares on the first screen that lists available flights and displaying discounted fares before standard fares, so that OS travelers can more easily locate and select discounted fares.

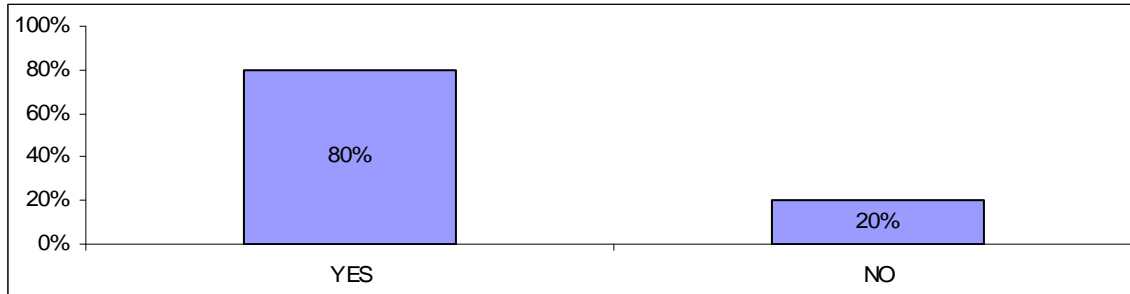
## **OFFICE OF THE SECRETARY COMMENTS**

In comments on our draft report, OS concurred with our recommendations and provided information on actions that it had already taken. OS's comments are included as Appendix D.

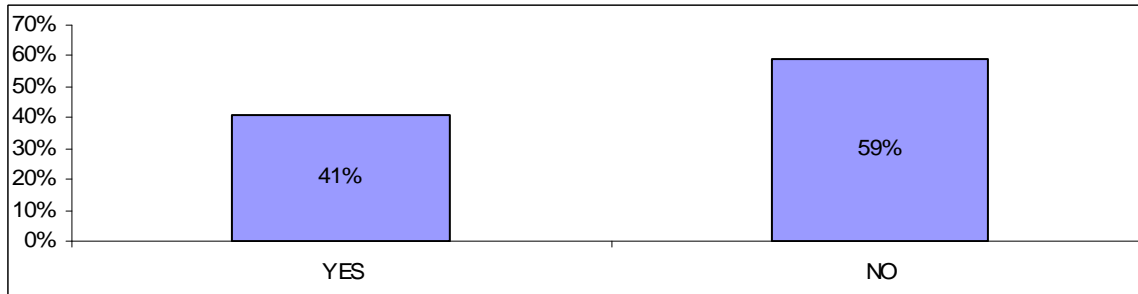
# **APPENDIXES**

**OFFICE OF THE SECRETARY TRAVELERS' RESPONSES TO SURVEY**

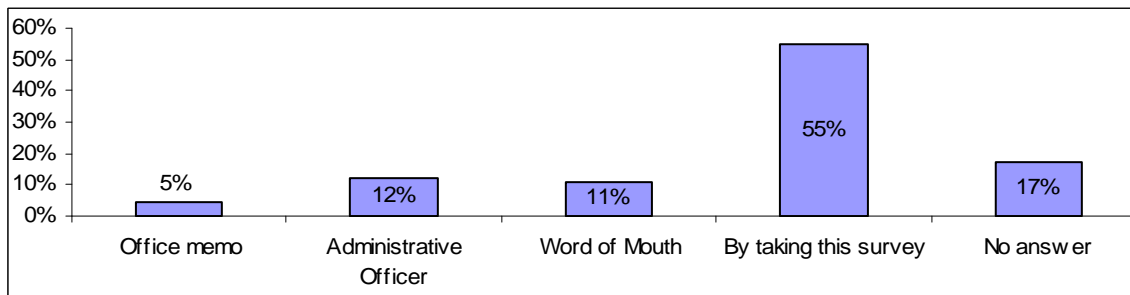
1) Did you know that, according to Federal Travel Regulations, travelers should use the lower cost, capacity-controlled fare when it is available and meets mission needs?



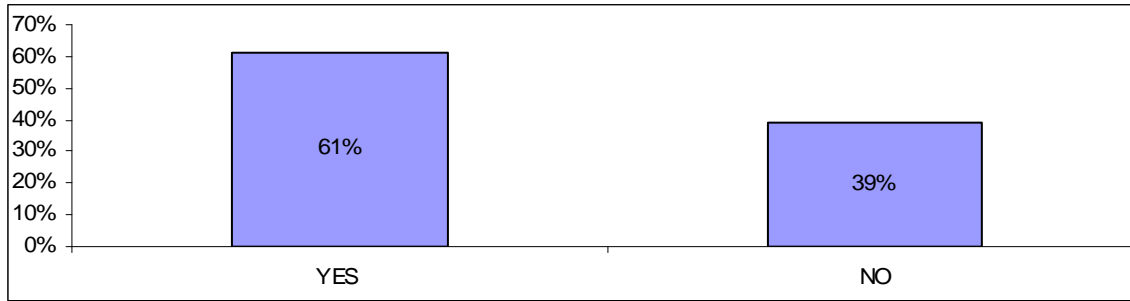
2) Did you know that GovTrip displays the standard Government fare as “GSA City Pair” and the lower cost Government fare as “GSA City Pair w/Capacity Limits”?



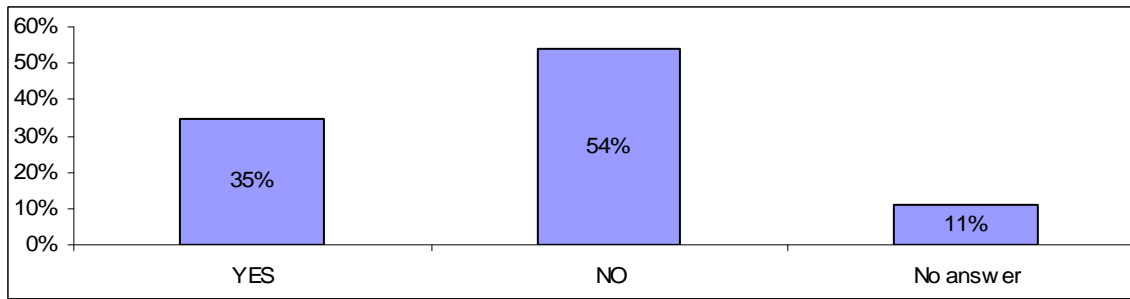
3) How did you learn that GSA City Pair is the standard fare and that GSA City Pair w/Capacity Limits is the lower cost fare?



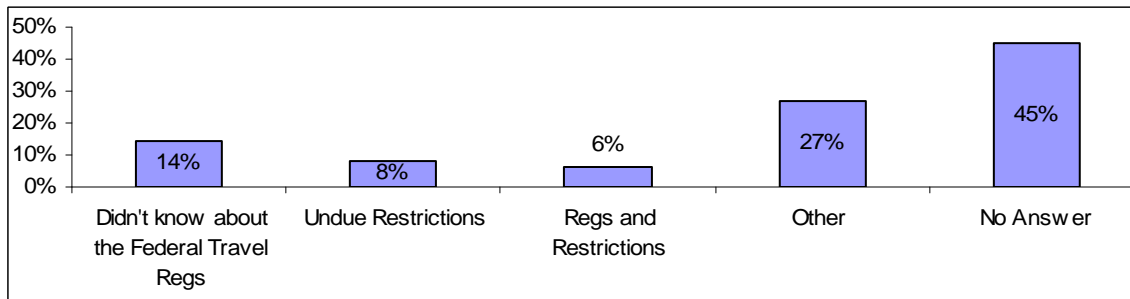
4) Do you know that both fares—the GSA City Pair and the GSA City Pair w/Capacity Limits—are fully refundable in case of cancellation?



5) At the time of booking your last flight, did you search for a GSA City Pair w/Capacity Limits fare?

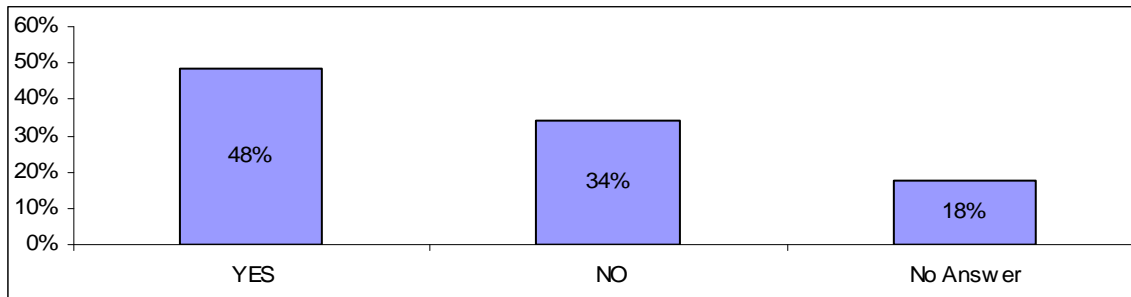


6) Did you not search for a GSA City Pair w/Capacity Limits fare because you:

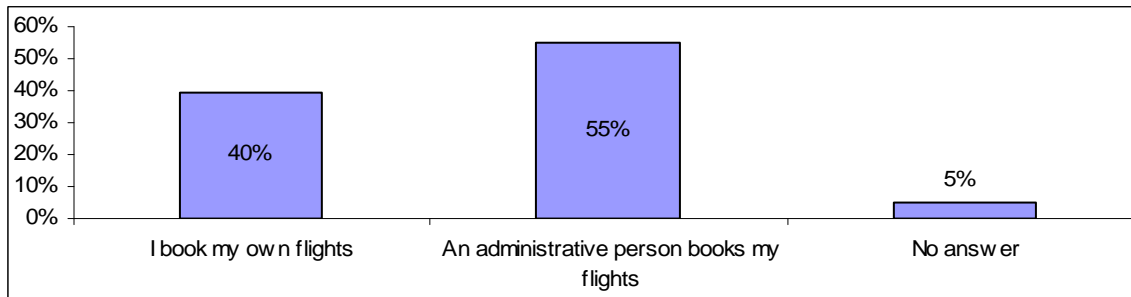






7) Do you feel that GovTrip helps you to identify City Pair w/Capacity Limits fares when they are available for your flight?



8) In most cases, do you book your own flights on GovTrip, or does an administrative employee make the arrangements?



EXCERPT FROM A 2008 GOVTRIP SCREEN THAT DOES NOT IDENTIFY DISCOUNTED FARES

Itinerary
Travel
Expenses
Accounting
Additional Options
Review/Sign

Air
Lodging
Rental Car
Rail
Other Trans.

Government
Non-Government

**Air - Outbound**

Select up to **10** flight(s) to price.


**DCA - Washington, Dc (Usa) (National Apt) to  
ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt)**

Price Flight(s)  
Return To Search


**Sort By**

Government Policy
  Non-Stop & Direct
  Departure Time
  Arrival Time
  Elapsed Time


Check to price this flight  
**\$257.00 → GSA City Pair**

 <p><b>7:00AM</b> Depart DCA - Washington, Dc (Usa) (National Apt) <b>8:55AM</b> Arrive ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) Flying Time 1h 55min Equipment M88 Ticket Type ETR <b>OPERATED BY DL</b> DEPART Time Window: 30 Sequence Number 012</p>	<p><b>Delta 803</b> Tue <b>20-May-08</b> Duration: 1h 55min Elapsed time: 1h 55min</p>
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Check to price this flight  
**\$257.00 → GSA City Pair**

 <p><b>8:00AM</b> Depart DCA - Washington, Dc (Usa) (National Apt) <b>9:53AM</b> Arrive ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) Flying Time 1h 53min Equipment M88 Ticket Type ETR <b>OPERATED BY DL</b> DEPART Time Window: 30 Sequence Number 013</p>	<p><b>Delta 805</b> Tue <b>20-May-08</b> Duration: 1h 53min Elapsed time: 1h 53min</p>
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Check to price this flight

 <p><b>6:55AM</b> Depart DCA - Washington, Dc (Usa) (National Apt) <b>8:51AM</b> Arrive ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) Flying Time 1h 56min Equipment E70 Ticket Type ETR  DEPART Time Window: 35 Sequence Number 040</p>	<p><b>US Airways 3471</b> Tue <b>20-May-08</b> Duration: 1h 56min Elapsed time: 1h 56min</p>
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**Air - Return**

Select up to **10** flight(s) to price.


**ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) to  
DCA - Washington, Dc (Usa) (National Apt)**

Price Flight(s)  
Return To Search


**Sort By**

Government Policy
  Non-Stop & Direct
  Departure Time
  Arrival Time
  Elapsed Time


Check to price this flight  
**\$257.00 → GSA City Pair**

 <p><b>5:20PM</b> Depart ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) <b>7:07PM</b> Arrive DCA - Washington, Dc (Usa) (National Apt) Flying Time 1h 47min Equipment M88 Ticket Type ETR <b>OPERATED BY DL</b> RETURN Time Window: 20 Sequence Number 028</p>	<p><b>Delta 117</b> Wed <b>21-May-08</b> Duration: 1h 47min Elapsed time: 1h 47min</p>
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Check to price this flight  
**\$257.00 → GSA City Pair**

 <p><b>4:20PM</b> Depart ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) <b>6:06PM</b> Arrive DCA - Washington, Dc (Usa) (National Apt) Flying Time 1h 46min Equipment M88 Ticket Type ETR <b>OPERATED BY DL</b> RETURN Time Window: 40 Sequence Number 027</p>	<p><b>Delta 824</b> Wed <b>21-May-08</b> Duration: 1h 46min Elapsed time: 1h 46min</p>
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Check to price this flight

 <p><b>6:34PM</b> Depart ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) <b>8:29PM</b> Arrive DCA - Washington, Dc (Usa) (National Apt) Flying Time 1h 55min Equipment E70 Ticket Type ETR  RETURN Time Window: 94 Sequence Number 056</p>	<p><b>US Airways 3446</b> Wed <b>21-May-08</b> Duration: 1h 55min Elapsed time: 1h 55min</p>
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EXAMPLE OF A 2008 GOVTRIP SCREEN SHOWING STANDARD AND DISCOUNTED FARES

**GovTrip** TRAVEL FOR GOVERNMENT

Itinerary Travel Expenses Accounting Additional Options Review/Sign

Air Lodging Rental Car Rail Other Trans.

Government Non-Government

**Air - Outbound**

Select a flight from the options below.

DCA - Washington, Dc (Usa) (National Apt) to  
ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt)

**Air - Return**

Select a flight from the options below.

ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) to  
DCA - Washington, Dc (Usa) (National Apt)

Select Flight(s)

Return To Available Flights

<input type="checkbox"/> Check to select this flight <b>\$257.00</b> → <b>GSA City Pair</b> <a href="#">Fare Rules</a>	<b>7:00AM</b> Depart DCA - Washington, Dc (Usa) (National Apt) <b>8:55AM</b> Arrive ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) Class YCADCA - Y Equipment M88 Ticket Type ETR DEPART <b>OPERATED BY DL</b>	<b>Delta 803</b> Tue <b>20-May-08</b> 115
<input type="checkbox"/> Check to select this flight <b>\$257.00</b> → <b>GSA City Pair</b> <a href="#">Fare Rules</a>	<b>5:20PM</b> Depart ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) <b>7:07PM</b> Arrive DCA - Washington, Dc (Usa) (National Apt) Class YCADCA - Y Equipment M88 Ticket Type ETR RETURN <b>OPERATED BY DL</b>	<b>Delta 117</b> Wed <b>21-May-08</b> 107
<input type="checkbox"/> Check to select this flight <b>\$154.00</b> → <b>GSA City Pair w/ Capacity Limits</b> <a href="#">Fare Rules</a>	<b>7:00AM</b> Depart DCA - Washington, Dc (Usa) (National Apt) <b>8:55AM</b> Arrive ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) Class KCADCA - K Equipment M88 Ticket Type ETR DEPART <b>OPERATED BY DL</b>	<b>Delta 803</b> Tue <b>20-May-08</b> 115
<input type="checkbox"/> Check to select this flight <b>\$154.00</b> → <b>GSA City Pair w/ Capacity Limits</b> <a href="#">Fare Rules</a>	<b>5:20PM</b> Depart ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) <b>7:07PM</b> Arrive DCA - Washington, Dc (Usa) (National Apt) Class KCADCA - K Equipment M88 Ticket Type ETR RETURN <b>OPERATED BY DL</b>	<b>Delta 117</b> Wed <b>21-May-08</b> 107
<input type="checkbox"/> Check to select this flight <b>\$267.50</b> → <a href="#">Fare Rules</a>	<b>6:55AM</b> Depart DCA - Washington, Dc (Usa) (National Apt) <b>8:51AM</b> Arrive ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) Class GDGDCA - G Equipment E70 Ticket Type ETR DEPART <b>OPERATED BY US</b>	<b>US Airways</b> 3471 Tue <b>20-May-08</b> 116
<input type="checkbox"/> Check to select this flight <b>\$267.50</b> → <a href="#">Fare Rules</a>	<b>6:34PM</b> Depart ATL - Atlanta, Ga (Usa) (Hartsfield Int L. Apt) <b>8:29PM</b> Arrive DCA - Washington, Dc (Usa) (National Apt) Class GDGDCA - G Equipment E70 Ticket Type ETR RETURN <b>OPERATED BY US</b>	<b>US Airways</b> 3446 Wed <b>21-May-08</b> 115



Assistant Secretary for Administration and Management  
Washington DC 20201

JUN 24 2008

MEMORANDUM

To: Daniel R. Levinson  
Inspector General

From: Joe W. Ellis *Jon*  
Assistant Secretary for Administration and Management

Subject: Use of Discounted Airfare by the Office of the Secretary (A-03-07-00500)

RECEIVED  
2008 JUN 26 PM 2:58  
OFFICE OF THE INSPECTOR  
GENERAL

This memorandum responds to the Office of the Inspector General (OIG) June 2008 draft report that provides the results of your review of the use of discounted airfares by the Office of the Secretary (OS). The OIG draft report provides valuable insight into the potential savings from the use of discounted airfares and the insufficient understanding of discounted fare options by the OS travelers.

Although the General Services Administration (GSA) did not provide any historical data to support the statement that "Governmentwide during this period, Federal civilian employees used discounted airfares for an average of 50 percent of the domestic trips for which both standard and discounted fares were available," I concur that OS must seek significant improvement from its use of the discounted fares on only 16 percent of their trips, as indicated in your report.

The OIG report's recommendations to "increase the understanding of OS travelers and administrative staff" and to clarify the display of flights in GovTrip are timely and in keeping with the Division of Travel Programs and Policy (DTPP) actions already undertaken:

- the HHS 2008 Travel Manual has specific references for the Use of Capacity Controlled Contract Fares in Section 4.1.4.1;
- the HHS GovTrip homepage includes a banner alerting travelers to use Capacity Controlled Contract Fares;
- DTPP has requested that the HHS Travel Center Of Excellence work with GovTrip to reposition the display of flights and fares to assist all HHS travelers in locating Capacity Controlled Airfares more easily;
- an increased awareness of Capacity Controlled Airfares at monthly travel teleconferences and quarterly Senior Travel Official meetings;
- Department-wide monitoring of travelers' use of Capacity Controlled Airfares.

If you have any questions, please contact Paul Hoffmann, Director of Travel and Logistics Programs and Policy, OS/ASAM, at (202) 690-7960 or [paul.hoffmann@hhs.gov](mailto:paul.hoffmann@hhs.gov).