



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

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The Honorable Patricia Schroeder
House of Representatives

Dear Ms. Schroeder:

Your letter of January 28, 1974, called our attention to a newspaper article describing an arrangement under which the Army's Military Traffic Management and Terminal Service (MTMTS) provides rent-free office space to freight and passenger carrier associations. According to the article, these associations provide the Army with certain services in lieu of rent. You asked that we review the matter.

We confirmed that MTMTS is providing office space, phones, furniture, and sundry materials and supplies to five carrier associations at its Falls Church, Virginia, headquarters. This support is provided under powers conferred on the Secretary of the Army by Title 10, United States Code. Also, a Comptroller General decision on a similar matter concluded that free use of space and facilities for a joint airline ticket office was not subject to question.

MTMTS IS PROVIDING SPACE AND FACILITIES

On March 1, 1974, 15 representatives of 5 carrier associations-- Air Transport Association of America, Association of American Railroads, AMTRAK/Western Railroad Military Bureau, National Bus Military Bureau, and the American Trucking Associations, Incorporated--were located at MTMTS. These associations occupied about 2,500 square feet of space which MTMTS estimates costs \$4.85 a square foot, including utilities. They were also provided 19 phones, 69 pieces of furniture, 12 pieces of equipment and sundry materials and supplies. The total estimated cost exceeds \$15,000 a year.

In exchange, the carrier associations are required to:

- Insure coordination among operating segments of the association to provide adequate and efficient transportation service to MTMTS for moving military traffic.
- Establish and maintain liaison between associations and MTMTS headquarters in developing, coordinating, and/or implementing policies, plans, and procedures necessary for peace time and emergency operations within the continental United States.
- Provide and maintain liaison with the MTMTS Area Command headquarters and insure cooperation in resolving operational problems relating to the movement of military traffic.

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- Provide information, as requested, on the availability of equipment for military freight and passenger movements and assist in placing that equipment.
- Expedite military freight and passenger services by its member carriers and furnish information covering such movements to include tracing, diverting, locating, and recovering lost or delayed traffic.
- Furnish, without specific request, full information on all potential obstructions to fluid traffic flow (threatened congestions, interruptions, strikes, etc.) which might affect movement of Department of Defense traffic.
- Have available in its offices on the premises the means to facilitate, coordinate, and expedite Department of Defense traffic as required and perform such other reasonable and necessary services as may be requested from time to time to help manage traffic under all conditions.
- Insure that liaison personnel will be prepared to relocate with, or be close to, the MTMTS office they serve in the event MTMTS command and management functions are transferred to emergency relocation sites or assumed by an alternate headquarters.

MTMTS HAS AUTHORITY TO
FURNISH SPACE AND FACILITIES

In 1963 Army's Judge Advocate General expressed the opinion that the furnishing of telephone services by the Army to carrier associations which occupy office space in an Army facility and assist that agency in arranging for the commercial movement of passengers and freight for the Department of Defense is authorized under the broad powers vested in the Secretary of the Army by Title 10, Sections 3012 and 4831 of the United States Code. The Judge Advocate General also stated that Government property may be made available for use by non-governmental agencies if the:

- Proposed use to which the property is to be put is in the public interest, beneficial to the Government, or serves a military purpose.
- Government retains the right to immediate possession.
- Constructive control remains in the Government.

--Use in the public behalf is permissive as opposed to an outright transfer.

MTMTS believes that its ability to perform its assigned traffic management mission would be seriously impaired if the carrier associations were physically relocated.

A Comptroller General decision on a similar case (B-103315(5), Sept. 17, 1971) concluded that the provision of free office space and facilities for a joint airline ticket office for expediting purchase of airline tickets for Government personnel was not subject to question.

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We will not distribute this report further without your authorization.

Sincerely yours,


Acting Comptroller General
of the United States