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OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

Improving the Management and Use of Government Aircraft

AGENCY: Office of Federal Procurement Policy, Office of Management and Budget

ACTION: Proposed Revision to Office of Management and Budget Circular No. A-126, “Improving the Management and Use of Government Aircraft.”

SUMMARY: The Office of Federal Procurement Policy (OFPP) in the Office of Management and Budget (OMB) is proposing to revise OMB Circular A-126 “Improving the Management and Use of Government Aircraft” to update policies associated with the management and use of Government aircraft, including General Services Administration (GSA) and agency roles in regulating and managing the Federal aviation programs that have evolved since the Circular was last revised in 1992. The proposed changes also address recommendations from the Interagency Committee for Aviation Policy (ICAP) to make a clearer distinction between policies that apply to the management of aircraft and policies that apply to travel on Government aircraft.

DATES: Interested parties should submit comments in writing to the address below on or before 30 days after publication in the *Federal Register*.

ADDRESSES: Comments may be submitted online at www.regulations.gov.

Instructions: All comments received will be posted, without change or redaction, to www.regulations.gov, so commenters should not include information that they do not wish to be posted (for example because they consider it personal or business confidential).

FOR FURTHER INFORMATION CONTACT: Jim Wade, OFPP, jwade@omb.eop.gov.

SUPPLEMENTARY INFORMATION:

Overview

Federal agencies own more than 1,200 operational aircraft to support a wide range of missions, including fire-fighting, law enforcement, research and development, and other activities. Federal aircraft are also used in various situations to transport certain executives. OMB Circular A-126 sets forth requirements to help ensure the appropriate agency use of Government aircraft.

Traditionally, the Circular has focused primarily on travel policy. When the Circular was last updated in 1992, coverage was strengthened to restrict the operation of aircraft to defined official purposes, restrict travel on such aircraft, require special review of such travel by senior officials or non-Federal travelers, and codify policies for reimbursement. The proposed revisions to A-126 would retain these policies but make several refinements to address recommendations made by the Government Accountability Office (GAO) in a 2014 report (GAO-14-151) recommending clarification on reporting exemptions for the Intelligence Community. Currently, the Circular exempts the reporting of classified trips, but the reporting of unclassified data is not explicitly addressed. To resolve this ambiguity, the proposed revisions to the Circular would include a clear statement that the Intelligence Community must maintain information on trips by senior Federal officials and non-Federal travelers, but agencies included in the community would not be required to report the data to the General Services Administration (GSA). Similarly, other agencies must maintain information on the required use of Government aircraft, but they are not required to report the data to GSA.

Other proposed revisions would clarify the requirements for contractors traveling on Government aircraft and expand the guidance for determining whether Government aircraft is the most cost-effective alternative for meeting travel requirements.

Further revisions are proposed to enhance the Circular's coverage on aircraft management. These changes are designed to integrate a number of policies and practices that have been developed or refined since the Circular was last updated that strengthen investment and management practices associated with capital assets. For example, the Circular adds references to long-standing requirements in OMB Circular A-11 to prepare a business case that justifies the acquisition and operation of a capital asset; requires agencies to maintain an office dedicated to aircraft management; establishes flight program standards and performance indicators; and encourages the use of the Exchange/Sale program for replacing and disposing of aircraft. Other changes include broadening the definition of Government aircraft to include unmanned aircraft systems and the addition of definitions of Commercial Aviation Services (CAS), fixed costs, variable costs, performance indicator, and Senior Aviation Management Official (SAMO). Finally, for clarification and ease of use, the Circular is reorganized into separate parts for management, travel, and cost accounting.

OMB requests comments on these proposals as well as on other aspects of the Circular.

Lesley A. Field
Acting Administrator for Federal Procurement Policy

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Improving the Management and Use of Government Aircraft

1. Purpose. This Circular is issued to minimize cost and improve the management, safety and efficiency of Government aviation activities. It prescribes policies to be followed by Executive Agencies in acquiring, managing, using, disposing of, and accounting for costs of aircraft.
2. Supersession Information. This Circular rescinds and supersedes OMB Circular No. A-126, Improving the Management and Use of Government Aircraft, dated May 22, 1992.
3. Authority. This Circular is issued pursuant to 41 U.S.C. 1121 and 31 U.S.C. 1344.
4. Overview. In general, Government-wide policy guidance for use of Government aircraft restricts the operation to official purposes, i.e. mission requirements, required-use, and other official travel; restricts travel on such aircraft; requires special review of such travel by senior officials or Non-Federal Travelers; and codifies policies for reimbursement. This Circular is being revised to respond to recommendations from the Federal aviation community that OMB's aviation guidance make a clearer distinction between policies that apply to the management of Government aircraft and policies that apply to travel on Government aircraft. This revision also formalizes General Services Administration (GSA) and agency roles in regulating and managing the Federal aviation programs that have evolved since the Circular was last revised in 1992.

This Circular applies to all Executive Agencies and to all Government aircraft except for aircraft used by or in support of the President or Vice President.
5. Definitions. For purposes of this Circular, the following definitions apply.
 - a. Acquire means to procure or otherwise obtain personal property, including by lease or rent (FMR 102-33.20).

- b. Aircraft means any contrivance invented, used, or designed to navigate, or fly in, the air (49 U.S.C. 40102(a) (6)).
- c. Commercial Aviation Services (CAS) include aircraft that are leased, lease-purchased, rented, chartered, hired under full service contracts, or hired under inter-service support agreements, and related support services.
- d. Crew Member means a person assigned to perform duty in an aircraft during flight time (14 CFR Part 1.1).
- e. Federal Traveler means a person who travels as a Passenger, a Crew Member, or a Qualified Non-Crew Member, on a Government aircraft and who is either (1) a civilian employee of an Executive Agency including invitational travelers per 5 U.S.C. 5703; (2) a member of a uniformed or a foreign service of the United States Government; or (3) a contractor working under a contract with an Executive Agency.
- f. Fixed Costs of operating aircraft are those that result from owning and supporting the aircraft and that do not vary according to aircraft usage. The specific fixed cost elements are defined in GSA's *Aircraft Cost Accounting Guide* and include, but are not limited to: crew, maintenance, labor, parts, contracts, lease costs, operations overhead, administrative overhead, self-insurance costs, and depreciation.
- g. Full Coach Fare means city pairs capacity-controlled fare. In the absence of availability of capacity-controlled city pairs, it is a city pairs unrestricted coach fare. If no city pair fare is available for that route, full coach fare is the lowest available coach fare available to the general public from any source between the day that the travel was planned and the day the travel occurred.

- h. Government Aircraft means manned or unmanned aircraft operated for the exclusive use of an Executive Agency. Government aircraft include (1) Federal aircraft as defined in FMR 102-33.20; and (2) Aircraft hired as commercial aviation services (CAS).
- i. Governmental Function means an activity undertaken by a government, such as national defense, intelligence missions, firefighting, search and rescue, law enforcement (including transport of prisoners, detainees, and illegal aliens), aeronautical research, or biological or geological resource management, which is a partial qualification for a Public Aircraft Operation as defined in 49 U.S.C. 40125.
- j. Mission Requirements mean activities that constitute the discharge of an agency's Governmental functions. Such activities include, but are not limited to, the transport of troops and/or equipment, training related to the operation of or duties on board the aircraft, evacuation (including medical evacuation), intelligence and counter-narcotics activities, search and rescue, transportation of prisoners, use of defense attaché-controlled aircraft, aeronautical research and space and science applications, and other such activities. For purposes of this Circular, mission requirements do not include official travel to give speeches, to attend conferences or meetings, to make routine site visits, or to attend training not related to the operation of the aircraft.
- k. Non-Federal Traveler means an individual who travels on a Government aircraft, but is not a Federal traveler. Dependents and other family members of Federal travelers who travel on Government aircraft are considered to be Non-Federal Travelers within this Circular.
- l. Official Travel means (1) travel to meet mission requirements, (2) required-use travel, and (3) other travel to conduct non-mission agency business, either departure and return from one location, or between locations.

- m. Passenger means a traveler who is not a Crew Member or a Qualified Non-Crew Member.
- n. Performance Indicator means a numerical or qualitative term or value for reporting organizational activities and results, generally with respect to achieving specific goals related to outcomes, outputs, efficiency, and inputs. When applied to aircraft, performance indicators typically measure the effectiveness and efficiency of the processes involved with safely delivering aircraft services. Examples are Operations Scheduling Effectiveness; Aircraft Availability Rates; Non-Availability Rates; Mission Capable and Non-mission Rates; Non-airworthy Maintenance Rates; and Non-airworthy Supply Rates.
- o. Public Aircraft Operation means the same as the term defined in 49 U.S.C. 40102 and 49 U.S.C. 40125.
- p. Qualified Non-Crew Member means an individual, other than a member of the crew, aboard an aircraft (1) operated by the armed forces or an intelligence agency of the United States Government; or (2) whose presence is required to perform, or is associated with the performance of, a governmental function (49 U.S.C. 40125).
- q. Required-Use means use of a Government aircraft for the travel of an Executive Agency officer or employee, where the use of the Government aircraft is required because of bona fide communications or security needs of the agency or exceptional scheduling requirements.
- r. Senior Aviation Management Official (SAMO) means the person in an Executive Agency who is the agency's primary member of the Interagency Committee for Aviation Policy (ICAP). This person must be of appropriate grade and position to represent the agency and promote flight safety and adherence to standards.
- s. Senior Federal Officials are individuals who are paid according to the Executive Schedule, including Presidential appointees who are confirmed by the Senate; employed in the U.S. Government's Senior Executive Service or an equivalent senior service; who is a civilian

employee of the Executive Office of the President; who is appointed by the President to a position under section 105(a)(2)(A), (B), or (C) of title 3 U.S.C. or by the Vice President to a position under section 106 (a)(1)(A), (B), or (C) of title 3 U.S.C.; or a contractor working under a contract with an Executive Agency who is paid at a rate equal to or more than the minimum rate for the Senior Executive Service, and has senior executive responsibilities. The term Senior Federal Official does not mean an active duty military officer.

- t. Transportation means, for the purpose of this Circular, the act of moving personnel or passengers engaged in travel onboard a Government aircraft.
- u. Travel, for purposes of reporting Senior Federal Travel, means on or in an aircraft while it is in flight. The origin and the destination may be different or the same. An example of the origin and the destination being the same is when the aircraft was used for observation from the air, i.e. for storm evaluation.
- v. Variable costs are the costs of operating aircraft that vary depending on how much the aircraft are used. The specific variable cost elements are defined in GSA's *Aircraft Cost Accounting Guide* and include, but are not limited to: crew costs; maintenance costs, labor, parts and contracts; engine overhaul; aircraft refurbishment; major component repairs; fuel, oxidants, and lubricants; lease costs and flight support.

6. Policy.

a. Managing Government Aircraft

i. Acquiring Government Aircraft

1. Executive Agencies must be authorized to acquire aircraft in accordance with 31 U.S.C. 1343.

2. An Executive Agency may not acquire more, larger, or more capable aircraft than it needs to carry out its official Government business.
3. Executive Agencies must choose the most cost-effective alternatives for acquiring aircraft and CAS. Aircraft selection should be based on need, a strong business case, and life-cycle cost analyses, which conform to the requirements in OMB Circular A-11, *Preparation, Submission and Execution of the Budget*, and its supplement, the *Capital Programming Guide*. Where performance of work by Federal employees may be involved, such as for aircraft maintenance, agencies shall also consider any other applicable policies used to compare the cost of Government and contractor performance.

ii. Operating Government Aircraft

1. Executive Agencies that operate Government aircraft (i.e., both owned and hired aircraft) must:
 - a. Use them only for official purposes, i.e., mission requirements, required-use, and other official travel.
 - b. Use them in the most operationally efficient and effective manner to accomplish these purposes.
 - c. Document all uses of such aircraft and retain that documentation for at least two years. At a minimum, the documentation of each use of Government aircraft must include:
 - i. The tail number of the aircraft;
 - ii. The date(s) used;
 - iii. The name(s) of the crew members and qualified non-crew members;
 - iv. The purpose(s) of the flight;

- v. The cost(s) of flights conducted on Government aircraft used for political activities or required-use travel as identified in section 6.b.iii that require reimbursement. Cost(s) of flights for Senior Federal Officials and Non-Federal Travelers are also required for potential reporting to GSA;
 - vi. The route(s) flown and flight time; and
 - vii. The name(s) of all passengers, and an indication if any passenger is either a Senior Federal Official or a Non-Federal Traveler.
 - d. Unless otherwise exempt from reporting in accordance with FMR 102-33, provide any information requested by GSA on a routine or ad hoc basis on their aircraft inventory, costs, and utilization (flight hours).
- 2. Executive Agencies that only hire aircraft occasionally for specific flights, must either:
 - a. Establish an aviation program that complies with the requirements in paragraph 3 of this section (i.e., a “policy-compliant aviation program”), or
 - b. Hire those aircraft through an agency with a policy-compliant aviation program to assure that safety and other critical aviation program requirements are satisfied.
- 3. Executive Agencies or their components that own and/or operate aircraft, except agencies that only hire aircraft occasionally for specific flights, must:
 - a. Designate a Senior Aviation Management Official (SAMO) to serve as the primary member of the GSA Interagency Committee for Aviation Policy (ICAP) and provide an alternate for the primary member.

- b. Maintain an office to carry out the agency's aircraft management responsibilities.
- c. Periodically review the continuing need for each of their aircraft and the cost-effectiveness of their aircraft operations as directed by OMB Circular A-11 as well as other applicable policies used to compare the cost of Government and contractor performance.
- d. Develop performance indicators that measure the impact on mission accomplishment contributed by the aviation program and provide a tool for measuring the impact of future aviation program investments. Such information will be utilized in supporting budget requests and periodic agency reviews of the effectiveness of the aviation program's performance.
- e. Comply with the internal control requirements of OMB Circular A-123 and assure that the appropriate internal controls for aviation management are included in the agency's Management Control Plan. Any material weaknesses in aviation programs are to be reported in the annual internal control reports to the President and the Congress.
- f. Establish and enforce agency-specific flight program standards that include, but are not limited to, the following topics:
 - i. Management/administration
 - ii. Acquisition and disposal
 - iii. Operations
 - iv. Maintenance
 - v. Training
 - vi. Safety

- g. Ensure that their flight program standards comply with all statutes required to qualify for Public Aircraft Operations status including 49 U.S.C. 40102(a)(41) and 49 U.S.C. 40125 and regulations that apply to Federal aviation activities, including GSA regulations and applicable Federal Aviation Administration (FAA) regulations. Also –
 - i. When using a Government aircraft to transport a Passenger or to transport Passengers or property for compensation or hire, the activity would not qualify as a Public Aircraft Operation, and the Executive Agency flight program standards must comply with the applicable FAA regulations for civil aircraft;
 - ii. When using Government aircraft to perform a Governmental Function, in accordance with 49 U.S.C. 40125, the Executive Agency flight program need only comply with agency-specific safety standards and with the applicable FAA regulations for all aircraft operating within the National Airspace System and not the safety standards and FAA regulations that apply only to civil aircraft (reference P.L. 85-726, Federal Aviation Act of 1958).
- h. Use automated aircraft management information systems that comply with data standards and reporting requirements prescribed by GSA, as well as with the agency's internal information requirements, to:

- i. Accumulate costs into the standard aircraft program cost elements prescribed in GSA regulations. The uses of these cost elements for various purposes are discussed in section 6.c Accounting for Aircraft Costs.
 - ii. Unless otherwise exempt from reporting in accordance with FMR 102-33, accumulate and report to GSA information on their Government aircraft inventory, costs, and utilization according to GSA's guidance.
 - iii. Accumulate data to support aviation performance indicators that measure the effectiveness of their operations, maintenance and logistics programs and the impact of the aviation program on mission performance.
- i. Develop agency specific fleet management and modernization plans to optimize the use of Government aircraft through:
 - i. Sharing common aircraft, transferring, or disposing of underutilized aircraft;
 - ii. Reducing excessive aircraft operations and maintenance costs; and
 - iii. Disposing of aircraft that are no longer cost effective or no longer meet agency needs and acquiring replacement aircraft.
- iii. Providing Government Aircraft Services to Other Activities
 - 1. In general, agencies that own or operate aircraft are authorized in statute to use those aircraft to serve specific missions and/or agency components and are funded in appropriations acts to provide those services.
 - 2. In a few cases, one agency may be authorized to provide aviation services to another agency without requiring reimbursement for those services, e.g., the FAA is authorized to provide aviation support to the National Transportation Safety Board.

3. In most cases, however, servicing agencies that provide aviation services to requesting agencies under the Economy Act (31 U.S. Code §1535) are required to recover the actual costs from those entities receiving the service. This is typically handled as an Interagency Acquisition under the Economy Act.

iv. Replacing and Disposing of Government Aircraft

Agencies that want to replace aircraft are encouraged to use the Exchange/Sale Authority to do so. Under this authority, agencies are permitted to exchange or sell aircraft or aircraft parts that need to be replaced and apply the Exchange allowance or the Sale proceeds to the cost of the replacement aircraft or aircraft parts. Agencies that determine that their aircraft or aircraft parts are excess property and do not need replacement property may dispose of the aircraft or aircraft parts via donation, transfer, or sale. Guidance for using the Exchange/Sale Authority to replace aircraft or aircraft parts or for disposing of excess property is provided in regulations issued by the GSA.

b. Traveling on Government Aircraft

i. Who May Travel on Government Aircraft

Federal travelers who, for purposes of this Circular, include contractors traveling on official agency business, invitational travelers, Non-Federal Travelers and any other passengers, crewmembers, and qualified non-crewmembers may travel on Government aircraft, but only if they have authorization from an Executive Agency to do so.

ii. Approving Travel on Government Aircraft

1. Who may approve travel on Government Aircraft. All travel on Government aircraft must be authorized by the agency sponsoring the travel in accordance with its travel policies and this Circular and, when applicable, documented on an official travel

authorization. Where possible, such travel must be approved by at least one organizational level above the person(s) traveling (i.e., passengers, crewmembers, or qualified non-crewmembers) in advance and in writing. If review by a higher organizational level is not possible, or not applicable as in the case of non-Federal or invitational travelers, another appropriate approval is required. In an emergency situation, prior verbal approval with an after-the-fact written authorization by the agency's designated travel approving official is permitted.

2. Special approval requirements for travel to meet Mission Requirements. Each agency may establish its own approval requirements for travel to meet mission requirements.
3. Special approval requirements for required-use travel.
 - a. Use of Government aircraft may be required because of bona fide communications needs (e.g., 24-hour secure communications are required), security reasons (e.g., circumstances that present a clear and present danger to the traveler), or exceptional scheduling requirements (e.g., a national emergency or other compelling operational considerations). This requirement may apply to travel for official, personal, or political purposes.
 - b. Required-use of Government aircraft for travel (i.e., required-use travel) must be approved in advance and in writing by one of the following:
 - i. The President may determine that all travel, or travel in specified categories, by an agency head or other Federal official satisfies the criteria to qualify as required-use travel, or
 - ii. The agency head may determine in writing that all travel, or travel in specified categories, by an officer or employee within the agency satisfies

the criteria to qualify as required-use travel. This determination must also conform to written standards established by the agency head.

iii. If neither of the two preceding determinations applies, a Federal officer or employee must obtain written approval for all required-use travel on a trip-by-trip basis from the agency's senior legal official or his/her principal deputy. In special emergency situations, an after-the-fact written approval by an agency is permitted, but in either case, the approval must certify that the travel satisfies the criteria to qualify as required-use travel.

4. Special approval requirements for other official travel. An agency may approve other official travel on a Government aircraft under one or more of the following circumstances:
- a. Sufficient capacity exists on a Government aircraft that will meet the traveler's flight requirements (i.e., space-available). Agencies authorizing space available justification must ensure –
 - i. The aircraft is already scheduled for use for an official purpose;
 - ii. Such space-available use does not require a larger aircraft than needed for the official purpose;
 - iii. Such space-available use results only in minor additional cost to the Government; and either
 - iv. The Federal traveler or the dependent of a Federal traveler is stationed by the Government in a remote location that is not accessible to scheduled commercial airline service; or
 - v. The traveler is authorized to travel space-available under 10 U.S.C. 2648
- Persons and supplies: sea, land, and air transportation.

- b. Use of a Government aircraft is the most cost-effective alternative that will meet the travel requirements. To ensure that a Government aircraft is the most cost-effective alternative for travel, the traveler's designated travel-approving official must –
- i. Compare the cost of all reasonable travel alternatives, including:
 1. The cost of the city-pair fare for scheduled commercial airline service or the cost of the lowest available full coach fare, if a city-pair fare is not available to the traveler.
 2. The cost of using Government aircraft, whether owned or hired as a CAS.
 3. Travel by other available modes of transportation that are capable of meeting the travel requirements.
 - ii. Consider the cost of non-productive or lost-work time while in travel status and other relevant costs (e.g., landing fees, tolls, parking, etc.) when comparing the costs of using Government aircraft in lieu of scheduled commercial airline service and other available modes of transportation.

NOTE: The cost of non-productive or lost-work time must be computed based on gross actual hourly costs to the Government. These hourly costs should include benefits, but may not include the use of multipliers based on salary, position, or any other factor.
 - iii. Approve the most cost-effective alternative that meets the agency's needs.

- c. Scheduled commercial airline service is less expensive than Government aircraft, but no such service is reasonably available (i.e., able to meet the traveler's departure and/or arrival requirements within a 24 hour period, unless the traveler demonstrates that extraordinary circumstances require a shorter period) to effectively fulfill the agency requirement.
5. Special approval requirements for Senior Federal Officials and Non-Federal Travelers. Use of Government aircraft for all official travel by Senior Federal Officials and Non-Federal Travelers (including members of families of such Senior Federal Officials) must be in conformance with an agency review and approval system that has been approved by OMB, or authorized in advance and in writing, on a trip-by-trip basis, by the senior legal official of the agency sponsoring the travel or his/her principal deputy, except for required-use travel authorized under paragraph 6.b.ii.3 Special Approval Requirements For Required-Use Travel. This special approval requirement also applies to Senior Federal Officials traveling space-available or as crewmembers or qualified non-crewmembers on a flight (i.e., being transported from point to point). In an emergency situation, neither prior written nor prior verbal approval is required.
- iii. Reimbursement for Use of Government Aircraft
 - 1. For travel other than required-use or space-available travel:
 - a. Any incidental private activities (personal or political) of an employee undertaken on an employee's own time while on official travel must not result in any increase in the actual costs to the Government of operating the aircraft.

- b. The Government must be reimbursed the appropriate share of the full coach fare for any portion of the time on the trip spent on political activities (except as provided in paragraph 6.b.iii.4. For Any Political Travel).
 - 2. For required-use travel. The Government must be reimbursed as follows (except as may otherwise be required in paragraph 6.b.iii.4. For Any Political Travel) for required-use travel;
 - a. For a wholly personal or political trip, the full coach fare for the trip;
 - b. For an official trip during which the employee engages in political activities, the appropriate share of the full coach fare for the entire trip;
 - c. For an official trip during which the employee flies to one or more locations for personal reasons, the excess of the full coach fare of all flights taken by the employee on the trip over the full coach fare of the flights that would have been taken by the employee had there been no personal activities on the trip.
 - 3. For space-available travel. For space-available travel other than for the conduct of agency business, whether on mission or other flights, the Government must be reimbursed at the full coach fare except (1) as authorized under 10 U.S.C. 2648 and regulations implementing the statute; and (2) by civilian personnel and their dependents in remote locations (i.e., locations not reasonably accessible to regularly-scheduled commercial airline service). No reimbursement is required for space-available travel for the conduct of agency business.
 - 4. For any political travel. Reimbursement must be made in the amount required by law or regulation (e.g., 11 C.F.R. 106.3) if greater than the amount otherwise required by the foregoing reimbursement rules.
- iv. Documenting Travel on Government Aircraft.

In addition to the usual information provided on an official travel authorization (e.g., the purpose of the travel, name and title of the approving official, date approved, funding source, etc.), authorizations for travel on Government aircraft should also document the justification for such travel as well as any special approvals required.

1. Travel to meet mission requirements must be noted as such and identify the mission(s).
2. Required-use travel must be noted as such, the criteria for its use cited, and any required approvals documented.
3. Other official travel must be noted as such and the justification for using Government aircraft documented, i.e.:
 - a. Space-available – Space is available on a Government aircraft that meets the traveler’s flight requirements.
 - b. Cost – Use of Government aircraft is the most cost-effective alternative that will meet the travel requirements. If this justification is cited, the estimated cost of the travel alternatives considered must be provided.
 - c. Lack of reasonable alternatives – For example, scheduled commercial airline service may be less expensive, but not reasonably available to meet the traveler’s schedule requirements.
4. All travel authorizations for the use of Government aircraft by Senior Federal Officials and Non-Federal Travelers for mission requirements and other official travel must document all special approvals required.

v. Reporting Travel on Government Aircraft

1. Agencies that use Government aircraft for travel must report semi-annually to GSA each use of such aircraft for non-mission travel by Senior Federal Officials and any

Non-Federal Travelers (except for travel authorized under 10 U.S.C. 2648 and regulations implementing that statute). This includes travel as a passenger, crewmember, or qualified non-crewmember.

2. Agencies that are included in the Intelligence Community, as identified in the National Security Act, 50 U.S.C. 3003, must maintain information on trips by Senior Federal Officials and Non-Federal Travelers, but the agencies are not required to report this information to GSA. The information must be made available to Congress or any other organization with the appropriate security clearance and oversight responsibility upon request.
3. Agencies must maintain data on required-use of Government aircraft, but are not required to submit this information to GSA. The information must be made available to Congress or any other organization with oversight responsibility upon request.
4. GSA will provide policies and reporting criteria to agencies that authorize travel on Government aircraft and administer the annual submission of a Senior Federal Travel Report to OMB.

c. Accounting for Aircraft Costs

The costs associated with agency aircraft programs must be accumulated to: (1) justify acquisitions needed to support the agency's aviation program; (2) justify the use of Government aircraft in lieu of commercially available aircraft, and the use of one Government aircraft in lieu of another; (3) recover the costs of operating Government aircraft when appropriate; and (4) determine the cost effectiveness of various aspects of agency aircraft programs. To accomplish these purposes, agencies must accumulate their aircraft program costs in accordance with GSA's *Aircraft Cost*

Accounting Guide. The remainder of this section presents guidance for accomplishing each of these purposes.

i. Justifying Aviation Program Acquisitions

When the Circular was revised in 1992, the principal OMB guidance affecting agencies' aviation program acquisition choices was OMB Circular A-76, "Performance of Commercial Activities." Since that time, OMB has developed more comprehensive guidance for agency use in planning and justifying investments in capital assets, including capital assets needed to support aviation programs. This guidance is contained in OMB Circular A-11 and its supplement, the *Capital Programming Guide*. Taken together, these two documents provide the broad principles that agencies should use to establish capital planning processes for their aviation programs. It is critical that agencies be able to collect accurate costs for the acquisition and operation of all assets that comprise their aviation programs, including non-aircraft assets, where appropriate. These costs will be aggregated and presented for budget justification purposes in formats that meet the overall requirements of OMB Circular A-11 and are acceptable to the agencies' OMB Resource Management Offices (RMOs). The *Capital Programming Guide* requires agencies to consider OMB Circular A-76, as appropriate, when evaluating investment alternatives; e.g., determining whether any aviation program activities qualify as inherently Governmental functions and justifying in-house operation of Government aircraft versus procurement of CAS.

ii. Justifying Use of Government Aircraft.

Agencies that use Government aircraft to support recurring travel between locations are encouraged to develop standard trip cost justification schedules, and must ensure that

the costs used for such schedules are kept current. These schedules should summarize and compare the projected costs of using one or more specific types of agency aircraft (both owned and hired, as applicable) for travel between selected locations to the costs of using commercial airline service between those locations. Comparative costs for varying passenger loads should also be shown. Agencies that choose to use this approach should be able to see the minimum number of official travelers needed to justify the use of a particular aircraft or aircraft type for a trip between locations on the schedule. Agencies that are not able to use such schedules are required to do a cost justification on a case by case basis.

To make the cost comparisons necessary to justify the use of a Government aircraft, the agency must compare the actual cost of using a Government aircraft to the cost of using a commercial airline service. The actual cost of using a Government aircraft is either: (a) the amount that the agency will be charged by the organization (e.g., another agency or a CAS provider) that provides the aircraft, (b) the variable cost of using the aircraft, if the agency operates its own aircraft; or (c) the variable cost of using the aircraft as reported to it by the owning agency, if the owning agency is not required to charge for the use of its aircraft.

Agencies should develop a variable cost rate for each aircraft or aircraft type (i.e., make and model) in their inventories before the beginning of each fiscal year. These rates should be developed as follows:

1. Accumulate or allocate to the aircraft or aircraft type all historical costs (for the previous 12 months, or longer periods, as appropriate) grouped under the variable cost category defined in GSA regulations. These costs should be obtained from the agency's accounting system.

2. Reduce or eliminate short-term data volatilities, as needed, by factoring in or out seasonal, cyclic, and infrequent variable cost components, such as engine overhauls and accident repairs, and allocating those costs over time as appropriate.
3. Adjust the historical variable costs from Step 1 for inflation and for any known upcoming cost changes to project the new variable cost total. The inflation and escalation factors used must conform to OMB Circulars A-11 and A-76, as appropriate.
4. Divide the total variable costs of the aircraft or aircraft type by the flying hours corresponding to the historical data timeframe for the aircraft or aircraft type to compute the projected variable cost or usage rate (per flying hour).

To compute the variable cost of using an agency's own aircraft for a proposed trip, multiply the variable cost rate computed in Step 4 (above) by the estimated number of flying hours for the trip. The variable cost of using a Government aircraft for a trip should include, as appropriate, all time required to position or reposition the aircraft prior to and after the trip, if no follow-on trip is scheduled. If a follow-on trip requires any repositioning time, it should be charged with that time. If one aircraft mission (i.e., a series of flights scheduled sequentially) supports multiple trips, the use of the aircraft for the total mission may be justified by comparing the actual cost of the entire mission to the commercial airline costs for all the component trips.

The cost of using commercial airline services for the purpose of justifying the use of Government aircraft must:

1. be the current Government contract fare or price or the lowest fare or price known to be available for the trip(s) in question;
 2. include, as appropriate, any differences in the costs of any additional ground or air travel, per diem and miscellaneous travel (e.g., taxis, parking, etc.), and lost employees' work time (computed at gross hourly costs to the Government, including benefits) between the two options; and
 3. only include costs associated with passengers on official business. Costs associated with passengers traveling on a space-available basis may not be used in the cost comparison.
- iii. Recovering Cost of Operation

Under the Economy Act of 1932, as amended, (31 U.S.C. 1535), and various acts appropriating funds or establishing working funds to operate aircraft, agencies are required to recover the costs of operating their aircraft for use by other agencies, other governments (e.g., state, local, or foreign), or non-official travelers. Depending on the statutory authorities under which its aircraft were obtained or are operated, an agency may use either of two methods for establishing the rates charged for using its aircraft: (1) the full cost recovery rate or (2), the variable cost recovery rate.

The **full cost recovery rate** for an aircraft is the sum of the variable and fixed cost rates for that aircraft. The computation of the variable cost rate for an aircraft or aircraft type is described under paragraph 6.c.ii. Justifying Use of Government Aircraft. The fixed cost rate for an aircraft or aircraft type is computed as follows:

1. Accumulate from the agency's accounting system (for the previous 12 months or longer, as appropriate) the fixed costs listed in GSA Regulations that are directly attributable to the aircraft or aircraft type (e.g. crew costs-fixed, maintenance costs-fixed, and aircraft lease-fixed).
2. Adjust the historical fixed costs from Step 1 for inflation and for any known upcoming cost changes, including contract price adjustments, to project the new fixed cost total. The inflation and escalation factors used must conform to OMB Circulars A-11 and A-76, as appropriate.
3. Add to the adjusted historical fixed costs amounts representing self-insurance costs and the annual depreciation or replacement costs, as described in GSA regulations.
4. Allocate operations and administrative overhead costs to the aircraft or aircraft type based on the percentage of total aircraft program flying hours attributable to that aircraft or aircraft type.
5. Compute a fixed cost recovery rate for the aircraft or aircraft type by dividing the sum of the projected directly attributable fixed costs (from Step 3) and the allocated fixed costs (from Step 4) by the annual flying hours projected for the aircraft or aircraft type.
6. To compute the full cost recovery rate of using a Government aircraft for a trip, add the variable cost rate for the aircraft or aircraft type to the corresponding fixed cost rate (computed in Step 5 above) and multiply the result by the estimated number of flying hours for the trip using the proposed aircraft.

The **variable cost recovery rate** for an aircraft or aircraft type is usually the same as the variable cost or usage rate described under paragraph 6.c.ii. Justifying Use of

Government Aircraft. In the event that the requesting agency covers some of the costs included in the variable cost recovery rate, e.g., fuel or crew costs, such costs are not incurred by the servicing agency and should be subtracted from cost recovery rate for that flight. If an agency decides to base the charge for using its aircraft solely on the variable cost recovery rate, it must recover the fixed costs of those aircraft from the appropriation which supports the mission for which the procurement of the aircraft was justified. In such cases, the fixed cost recovery rate may be expressed on an annual, monthly or flying hour basis.

iv. Determining Aircraft Program Cost Effectiveness

Although cost effectiveness measures are not the only performance indicators of the effectiveness of an agency's aircraft program, they can be very useful in identifying opportunities to reduce aircraft operational costs. These opportunities might include changing maintenance practices, purchasing fuel at lower costs, and the replacement of old, inefficient aircraft with aircraft that are more fuel efficient and have lower operations and maintenance costs.

The most common measures used to evaluate the cost effectiveness of various aspects of an aircraft program are expressed as the cost per flying hour or per passenger mile for certain types of aircraft costs. These measures may be developed using the Standard Aircraft Program Cost Elements and include, but are not limited to: maintenance costs/flying hour, fuel and other fluids cost/flying hour, accident repair costs/flying hour (or per aircraft), and variable cost/passenger mile.

In coordination with the Interagency Committee for Aviation Policy (ICAP), GSA should assist in the development of aviation performance indicators that agencies can use,

within the context of their various missions and unique operating environments, to assess the cost-effective management of their aircraft.

7. Agency Responsibilities.

- a. The head of each Executive Agency must issue the appropriate internal agency directives to implement this Circular within 180 days of its publication. These internal agency directives must include all policies contained in this Circular that apply to the agency's use of Government aircraft, and may contain additional policies unique to the agency.
 - i. Agencies that own or hire aircraft must assure that their internal directives comply with section 6.a. of this Circular.
 - ii. Agencies that use Government aircraft to support their travel requirements must assure that their internal travel policies are consistent with section 6.b. of this Circular.
- b. The Secretaries of Defense and the uniformed services, the Secretary of State and GSA must incorporate the applicable policies of this Circular into the travel regulations that they publish for uniformed service, foreign service, and civilian employees, respectively. The necessary changes to these regulations should be issued no later than 180 days from the date of this Circular.
- c. GSA shall maintain an office to implement Government-wide responsibilities for Government aviation program management that include, but are not limited to, the following:
 - i. Organizing and maintaining an interagency committee composed of Federal agency senior aviation management officials who advise the Administrator of General Services on Government aircraft policy and management.

- ii. Coordinating the development of effectiveness measures, policy recommendations, and guidance for the procurement, operation, safety, and disposal of Government aircraft consistent with section 6.a. of this Circular.
- iii. Providing policy recommendations and guidance on the use of Government aircraft to conduct official business.
- iv. Operating a Government-wide information system to collect, analyze, and report agency information on Government aircraft.
- v. Developing and maintaining common, generic aircraft information system standards (i.e., data definitions and software specifications) for agencies' use in developing their own internal aircraft information systems and for routine and ad hoc reporting of their information to GSA. These data definitions will also include aircraft program cost element definitions and standards to account for aircraft costs consistent with section 6.c. of this Circular.
- vi. Providing to OMB and, upon request to Congress and other official requestors, analytical reports of the information collected and maintained in the Government-wide aircraft management information system as well as information collected from agencies on an ad hoc basis. Such reports should include, but not be limited to:
 - 1. Aviation related reports that may be required by OMB and other Executive guidance.
 - 2. An annual aviation data set that includes an inventory of agency-owned aircraft and the costs and flight hours associated with each agency's flight operations performed by both agency-owned and CAS aircraft.

3. Periodic reports on the utilization of the Exchange/Sale Authority for aircraft and aircraft parts.
 - vii. Upon a Federal agency's request, conduct external audits, surveys or reviews of Federal agency aviation programs to identify weaknesses and/or to recommend improvements as needed to increase the efficiency and the effectiveness, as well as to improve the safety culture of Federal agency aviation programs.
 - viii. Reviewing agency aircraft policies for compliance with Federal regulation and guidance as needed.
 - ix. Developing, coordinating and providing training, through workshops and other means, to agency aviation professionals on aviation safety, fleet modernization, and any other subjects approved by the ICAP.
8. Reports to OMB. GSA will submit a Senior Federal Travel Report to OMB annually. GSA will also submit the following items to OMB upon request:
- a. Aviation related reports.
 - b. Annual aviation data sets.
 - c. Exchange/Sale authority utilization reports.
9. Related Guidance. OMB Circular A-11 and its supplement the *Capital Programming Guide*.
10. Effective Date. This Circular is effective upon publication.
11. Information Contact. All inquiries should be addressed to the Office of Federal Procurement Policy, Office of Management and Budget, telephone number (202) 395-1158.

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