



Office of Government-wide Policy • Office of Asset and Transportation Management

# Transportation Policy Program

[www.gsa.gov/transportationpolicy](http://www.gsa.gov/transportationpolicy)

**Overview.** The Federal budget reports that Federal agencies spent \$34.7 billion in FY2011 on the transportation of goods or materials distributed from a government location. The management and reporting of this outbound spend is governed by federal laws and regulations. The Office of Government-wide Policy (OGP) provides guidance on best practices in transportation management so that Federal agencies can better manage spend and use data to improve decision making, generate savings, create efficiencies and increase environmentally sustainable practices.

## Mission

The OGP Transportation Policy Program writes regulations that govern spending on transportation. These regulations apply to all civilian Federal agencies. The Transportation Policy staff collaborates with Federal agencies, stays informed on the state of the industry, and promotes best practices in all aspects of managing Federal transportation. OGP is responsible for the Federal Management Regulations (FMR) 102-117 Transportation Management and Transportation Payment and Audit in 102-118.

## Authorities

31 U.S.C. 3726 authorizes GSA to regulate transportation payment and audit by all Federal agencies. 40 U.S.C. 121-Public Buildings, Property, and Works provides the general authority for GSA to issue regulations and guidance for Federal transportation. Three sections authorize Federal agencies to purchase transportation without using the Federal Acquisition Regulation: 49 U.S.C. 10721 (rail), 13712 (truck), and 15504 (pipeline).

## Program Strategy

The Office of Government-wide Policy is committed to ensuring that government transportation management reflects innovations and market driven changes in private industry to the maximum extent possible. The office strives to ensure agencies have guidance on using the best approaches to managing transportation spend. OGP meets regularly with agency representatives to gain critical input for creating better policy. We also collaborate with the Federal Acquisition Service (FAS) and the GSA Acquisition Office to ensure that the policy framework allows for contractual innovation.

OGP works to identify the long term activities that will result in changes to Federal transportation policy and operations. OGP has established the following long-term goals:

- Establish a certification process, through a formal training curriculum, for agencies' Federal transportation officers.
- Establish a government wide data collection and reporting process for contracted transportation services.
- Partner with agencies to pilot ways to better manage inbound transportation (transportation associated with government purchases), collect data and replicate successful approaches to reduce costs and gain visibility to permit better decision making government-wide.
- Revise the Federal Management Regulation to optimize the use of tender procurements and identify and manage transportation costs in service and delivery contracts.
- Use IT systems to identify opportunities to coordinate and consolidate shipments across agency lines, to optimize use of rail and intermodal, and to manage accessorial charges.
- Complete a new three-year review of the transportation regulations for which OGP is responsible.
- Save transportation spend and GHGs

## Key Business Drivers

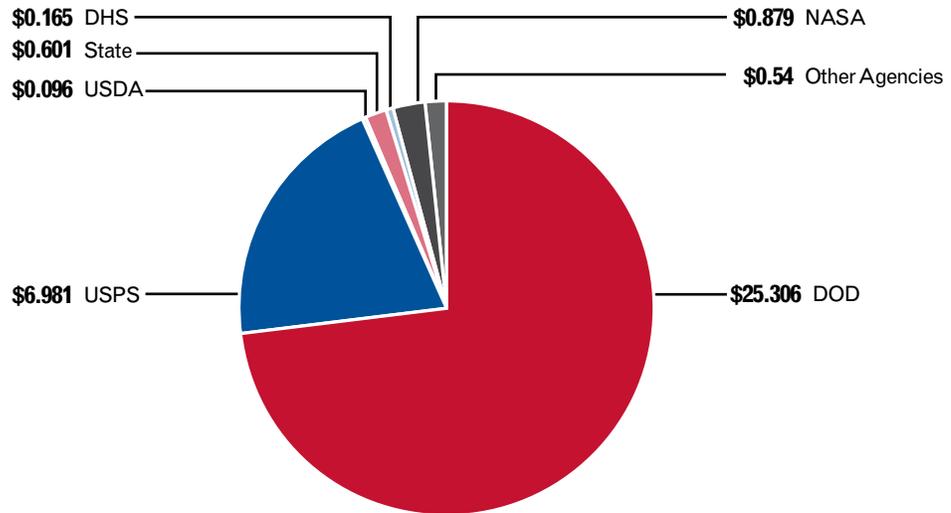
- Decentralization of federal transportation management.
- Limited accountability for transportation expenditures
- Increasing use of electronic processes in transportation
- Increased use of third or fourth party logistics providers for more professional management of supply chain life cycle
- Transparency
- Sustainability

## Need To Know

- OGP plays an important role in providing guidance and ensuring agencies understand their responsibilities in complying with all applicable laws and regulations governing the acquisition of transportation services.
- The most mature organizations manage both inbound and outbound transportation. They start with optimizing outbound shipments and then move to managing inbound.
- Inbound transportation costs are often bundled with purchases and so the true cost of transportation is not known.
- OGP is currently developing a business case on the feasibility of managing inbound transportation and is working with agencies to collect pilot data and assess the savings that could be realized if actively managed.
- Federal spending on transportation has grown 40% since 2000 and represents an important component of acquiring goods and materials.

## Statistics, Ratios & Trends

### Object Class 22, Transportation of Things (2011 Actual) (\$Billion)



The FY 2011 actual amounts that Federal agencies report to the Office of Management and Budget under Object Class 22 (Transportation of Things), reflect items agencies produce and ship or “outbound” transportation. Reported costs do not reflect all outbound costs or inbound transportation spending:

| Object Class 22 Reports (FY 2011):  |  |
|---|--|
| DoD outbound and intra-agency   | \$25.306 B                                     |
| USPS (mail and non-mail freight)  | \$6.981 B                                      |
| Other civilian agencies outbound  | \$0.54 B                                       |
| NASA  | \$0.879B                                       |
| <b>Object Class 22 Total</b>  | <b>\$35B</b>                                   |
| * Civilian agencies, Object Class 25.2 (Contract Services) – estimate of the transportation component | \$12.0B  |
| ** All agencies, inbound freight transportation spend estimate  | \$3.96 billion (\$2.74B DoD; \$1.43B civilian) |

\* OGP Transportation Study, February 5, 2010.

\*\* LMI Study, September, 2012.

## Collaboration

- OGP has created a new Transportation Policy Executive Steering Committee, consisting of executives from Federal agencies with large transportation budgets, to help OGP establish strategic direction for civilian agency transportation policy.
- OGP has re-established the Government-wide Transportation Policy Council, consisting of transportation experts from about 15 agencies, to help agencies establish, improve, and maintain effective transportation management policies, practices and procedures.
- OGP routinely participates in meetings organized by GSA/FAS with Federal agencies and transportation industry providers.
- OGP actively participates in symposiums, public discussions, private sector outreach and industry association meetings.

## Associations/Training

- Military Surface Deployment and Distribution Command Training Symposium (SDDC)
- Distribution & LTL Carriers Association