TO: Heads of Federal Agencies

SUBJECT: Rental Car (Passenger Vehicle) Requirements

1. What is the purpose of this bulletin? This bulletin emphasizes the Federal Travel Regulation (FTR) requirements for employees' rental of passenger vehicles while on official business.

2. What is the background of this bulletin? The Office of Government-wide Policy is committed to identifying potential savings for agencies in employee rental of passenger vehicles. Outlined below are best practices as described in the existing FTR requirements that will help agencies reduce their spending in regards to rental vehicles for temporary duty travel and ensure the most effective use of taxpayer dollars.

3. What should agencies do as a result of this bulletin?

   a) Review agency policy to ensure consistency with the FTR and verify that it is abundantly clear that all rental passenger vehicles must be authorized only when in the best interest of the Government (FTR § 301-10.450(a)). Use of a rental car requires specific authorization (FTR § 301-2.5(g)).

   b) Ensure travelers book passenger vehicle reservations through their agencies’ Electronic Travel Systems (ETS) where available. When ETS is not available, travelers should arrange passenger vehicle rentals only through their agency’s Travel Management Center (TMC). Use of an agency’s ETS and TMC are the only two approved methods of booking rental cars allowed by the FTR (FTR § 301-50.3).

   c) Ensure travelers are familiar with the Defense Travel Management Office (DTMO), U.S. Government Rental Car Agreement (FTR § 301-10.450 (b)), and encourage them to rent vehicles from vendors that participate in the program. Refer to http://www.defensetravel.dod.mil/site/rental.cfm for more information. The advantages of renting a car through the DTMO Rental Car Agreement are:

      1. Passenger vehicle agreements are pre-negotiated for all Federal travelers to use on official business;
2. The agreement includes automatic unlimited mileage and collision damage insurance; and
3. The rates established by the passenger vehicle rental agreement cannot be exceeded by the vendor.

d) Educate travelers to decline additional insurance, such as collision damage waiver (CDW) or theft insurance (FTR § 301-10.451(a)). These types of insurance are personal expenses, so travelers generally may not be reimbursed for them. Additional insurance may only be reimbursed pursuant to FTR § 301-10.451(b), when travel is outside CONUS and such insurance is necessary due to rental or leasing agency requirements, a foreign statute, or because legal procedures could cause extreme difficulty for an employee involved in an accident.

4. Whom should I call for further information? For clarification of content, please contact Ms. Marcerto Barr, Office of Government-wide Policy, Office of Asset and Transportation Management (MA), at (202) 208-7654 or via e-mail at travelpolicy@gsa.gov.

By delegation of the Administrator of General Services,

Anne E. Rung
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Office of Government-wide Policy