Fly America Act and Open Skies Agreements:

Charging International Air Travel to Federal Awards

Agenda

- Travel Reminders
- Fly America Act
- Fly America Act Exceptions
- Open Skies Agreements
- Complying with the Fly America Act and Open Skies Agreements
- GSA City Pair Search Tool
- Orbitz For Business
- Case Studies and Discussion
- Question and Answers

Travel Reminders

- University policy requires travelers to use the lowest available economy class airfare, consistent with business requirements.
- The charging of business or first-class air travel is **not** permitted to a federally funded award except.....
 - when coach or economy class is not reasonably adequate for the traveler's medical needs (such cases must be documented with a medical justification supplied by a primary care provider prior to confirming the reservation).
- The cost of the use of Wi-Fi during an airline flight, pillows and blankets and preferred seating in coach cannot be charged to federally funded awards. These costs must be supported with GA funds as noted in section 3301.1 of Policy 3301.

http://policy.yale.edu/policy/3301-travel-university-business

Fly America Act

Fly America Act

 Travelers are required by 49 U.S.C. 40118, commonly referred to as the "<u>Fly America Act</u>," to use United States flag air carrier service for all air travel and cargo transportation services funded by the United States Government.

Fly America Act – requires the use of a U.S. flag air carrier even if:

- A foreign air carrier service is less expensive, or
- A foreign air service is preferred by the traveler, or
- A foreign air service is more convenient.

Fly America Act Exceptions

Fly America Act - Exceptions

The Fly America Act...

- Requires the use of a U.S. flag air carrier for all travel supported by federal funds <u>unless</u>:
 - A U.S. flag carrier is not available
 - The use of a nonstop or direct U.S. flag air carrier service from origin to destination would extend travel time (including delay at origin) by 24 hours or more
 - A U.S. flag air carrier does <u>not</u> offer nonstop or direct service between origin and destination.

Fly America Act – Exceptions (cont.)

The Fly America Act...

- Requires that a U.S. flag air carrier must be used on <u>every</u> portion of the route where it provides service <u>unless</u>, when compared to using a foreign air carrier, such use would:
 - Increase the number of aircraft changes outside the United
 States by <u>two or more</u>
 - Extend travel time by at least <u>six hours or more</u>
 - Require a connecting time of <u>four hours or more</u> at an overseas interchange point.

Fly America Act – Exceptions (cont.)

The Fly America Act...

- Considers a U.S. flag air carrier service as unavailable when the elapsed travel time on a scheduled flight from origin to destination by a foreign air carrier is:
 - 3 hours or less and
 - o the use of a U.S. flag air carrier doubles the time en-route.

Code-sharing agreements with foreign air carriers, whereby
 American flag air carriers purchase or have the right to sell a
 block of tickets on a foreign carrier, comply with the Fly America
 Act. The ticket, or documentation for an electronic ticket, must
 identify the U.S. carrier's designator code and flight number.

Exceptions to the Fly America Act

- Open Skies Agreements
 - May allow the use of non-U.S. flag air carriers
 - o Four (4) Agreements to-date.



- U.S. General Services Administration (GSA) City-Pair Program
 - City-Pair contract fare
 - ✓ GSA negotiated discount fares available to U.S. Government employees
 - ✓ Requires the use of a U.S. flag air carrier when a city-pair contract fare is available even if the traveler is not eligible for the City-Pair fare.
 - http://cpsearch.fas.gsa.gov/

Note: Open Skies Agreements do not apply to travel supported with the Department of Defense (DOD) funds.

Open Skies Member States

European Union (EU) Carriers

Not All-Inclusive

Austria – Austrian Airlines	Lativa – airBaltic
Belgium – Brussels Airlines	Lithuania – None under Open Skies
Bulgaria – Bulgarian Airlines	Luxembourg - Luxair
Cyprus – Cyprus Airlines	Malta – Air Malta
Czech Republic – Czech Airlines	Netherlands – KLM Royal Dutch Airlines
Denmark – Scandinavian Airlines System	Norway* - Scandinavian Airlines System
Estonia – Estonian Air	Poland – LOT Polish Airlines
Finland - Finnair	Portugal – TAP Air Portugal
France – Air France	Romania - TAROM
Germany – Air Berlin, Lutfhansa	Slovakia – None under Open Skies
Greece – Olympic Air	Slovenia – None under Open Skies
Hungary – Malev Hungarian Airlines	Spain – Air Europa, Iberia, Spanair
Iceland* - Icelandair	Sweden - Scandinavian Airlines System
Ireland – Air Lingus	United Kingdom - bmi, British Airways, Virgin Atlantic
Italy – Alitalia	

* Iceland and Norway are not members of the EU but are included in the EU Open Skies Agreements.

Restricted Open Skies Agreements Countries



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Complying with the Fly America Act and Open Skies Agreements

Fly America Act and Open Skies Agreements Matrix

FLY AMERICA ACT										
	US Flag A	Air Carrier	Open Ski	es (Mem	ber State	s)		<u>→</u>		
Airline Travel (Origin & Destination)	Required	Exception permitted	Allows for use of EU Carrier	Requires City Pair Check -	Australia	Switterlas	es' Air carrie	rs		
Domestic (US-US)	Y	N/A	N							
DOD Funded Awards	Y	N/A	N							
Intl (US–EU)	N	Y	Y	N						
Intl (within EU)	N	Y	Y	N						
				A city pair check is required between any point in the US to any point in an Open Sky (Non EU) Member state. If search returns a contracted rate, US flag air carrier is required.						
Intl (US-Non EU Countries)	N	Y	Y	Y	If no city pair - Y	If no city pair - Y	If no city pair - Y			
Intl (US-Australia)	N	Y	Y	Y	If no city pair - Y					
Intl (US-Switzerland)	N	Y	Y	Y		If no city pair - Y				
Intl (US-Japan)	N	Y	Y	Y			If no city pair - Y			
Intl (Within Other Countries)	N	Y	Y	N	Y	Y	Y			
	No city pair check required when travel is with a Member State carrier between any two points outside US									

International = Intl

^{*} If using Air Lines other than US or EU Carriers

Complying with the Fly America Act

- Compliance with the Fly America Act is the responsibility of the traveler and department. Before making arrangements for air travel related to Yale business, find out:
 - o how this travel is being funded and, when necessary,
 - o ensure the booking is in accordance with the Fly America Act. *If you feel an exception is applicable, consult your business office or OSP Accountant*
- <u>To ensure compliance with the Fly America Act</u>, travelers are encouraged to use the University's preferred travel vendor <u>Orbitz for Business</u> by contacting Orbitz directly at: http://www.yale.edu/ytravel/

<u>NOTE</u>: When an exception to the Fly America Act exists, documentation supporting the exception should be retained at the time of booking and attached electronically with the travel reimbursement or retained in the department's award file. Business office personnel should refer to the Fly America Act Checklist and Waiver <u>Form 3301 FR.06</u> to determine if an exception qualifies for waiver.

Flying the Friendly Skies.....



Origin and Destination	Charged to:	Airline	Allowable?						
Mexico City to New York to Madrid Spain	NIH award	Iberia Airlines	Υ						
Reason: Use of EU Open Skies Airline is acceptable for two points outside US									
St. Petersburg Russia to Moscow	DOD award	S7 Airlines(Russian)	Υ						
Reason: Requires verification that no US flag air carriers are available (None were available)									
New York (JFK) to Sydney Australia	Dept. of State	Qantas	N						
Reason: Requires verification of city pair contract (City Pair is Available)									
Sydney Australia to Cape Town S. Africa	NSF award	British Airways	Y						
Reason: Use of EU Open Skies Airline is acceptable for two points outside US									
Toronto to Washington D.C.	NIH award	Air Canada	N						
Reason: U.S. Flag Carriers are available. Canada is not eligible under Open Skies for charging Federal Funds.									
New York to Paris to Geneva	NIH award	Swiss Air	N						
Reason: Requires verification of a city pair contract (City Pair is Available)									

Case Studies

Case Study A

Dr. Wayfaring is traveling to Taiwan to collaborate with researchers at the National Taipei University of Technology and to conduct research related to her NIH award. Since the trip is imminent, she quickly searches for flights on travelocity.com and books a first class, non-stop flight on Eva Airways, a Tiawanese air carrier, from New York – JFK to Taipei.

Q: Is this an allowable charge on the NIH award?

Q: How and where should this charge be made?

Case Study A: Analysis

Q: Is this an allowable charge on the R01 award?

A: Purchase of a first class ticket is not allowable on a federal award. In addition, federal awards are required to comply with the Fly America Act. Therefore, since the ticket was purchased on Eva Airways and does not comply with the Fly America Act the ticket cannot be charged to a federal award.

Q: Where can this expense be charged and how should it be charged?

A: The cost of the ticket should be charged to a non-sponsored award. The difference between the cost of business class and economy class must be determined and this difference charged to expenditure type 876001 (Foreign Travel - Unallowable).

Case Study B

Dr. Wayfaring, now somewhat more aware of the federal requirements of her award, is traveling to Osaka Japan to attend a conference, which she is delivering a paper on another research study funded by a NSF award. She purchases a New York – JFK to Osaka, Japan first class airline ticket on Japan Airlines.

Q. Is this an allowable charge to the NSF award?

Case Study B: Analysis

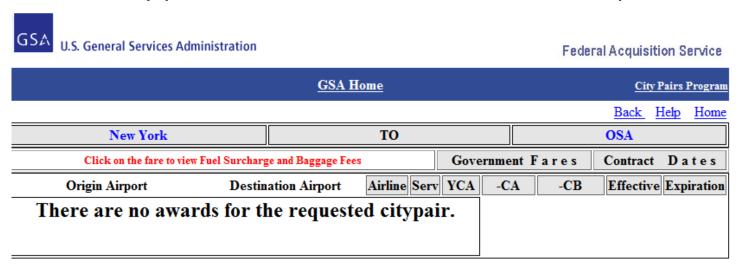
Q: Is this an allowable charge to the NSF award?

A: JFK to Osaka, Japan falls under the U.S. and Japan Open Skies Agreement.

- In order to charge the Japan Airlines ticket to a federal award, a city pair contract fare cannot exist between the origin and destination city. For this situation a city pair contract fare does not exist and therefore, the award can be charged However...
- The coach fare equivalent is only allowable to be charged to the NSF award (must be documented at the time of reservation).
- The difference between first class and coach must be determined and charged to a non-sponsored award using Expenditure Type 876001 (Foreign Travel Unallowable). calculation.

Case Study B: Analysis

 An example of a city pair verification check, which illustrates that no city pairs exists between JFK and Osaka, Japan



 Documentation that supports the city pair verification and coach fare ticket portion charged to the award must be electronically submitted with the travel reimbursement or kept as part of the department's award file.

GSA City Pair Search Tool

GSA City Pair Fare Search Tool

- Identifies whether a city-pair fare is in effect
 - GSA Website http://cpsearch.fas.gsa.gov/
 - Orbitz for Business Website

https://www.orbitzforbusiness.net/Secure/OFBSignIn

- YALE TRAVEL WEB SITE AND TRAVEL POLICY
- YALE ONLINE EXPENSE MANAGEMENT SYSTEM
- INTERNATIONAL VISA SERVICES; log in with code 40634
- Yale Community Carbon Fund
- **GSA CITY PAIR SEARCH TOOL**

VIDEO: Quick tutorial on rail booking

Link provided within Orbitz

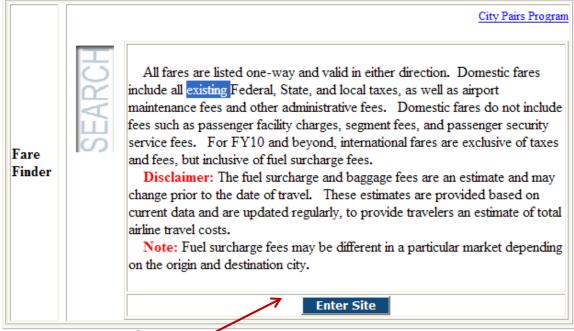
GSA Search Tool



Federal Acquisition Service

GSA Home

Airline City Pairs



☐ Click on Enter Site

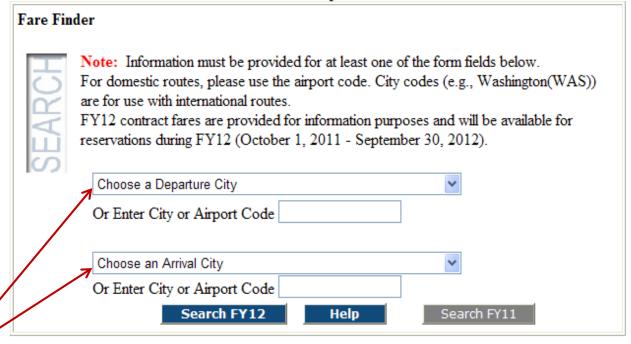
GSA Search Screen



Federal Acquisition Service

GSA Home

Airline City Pairs



Choose a departure and arrival city

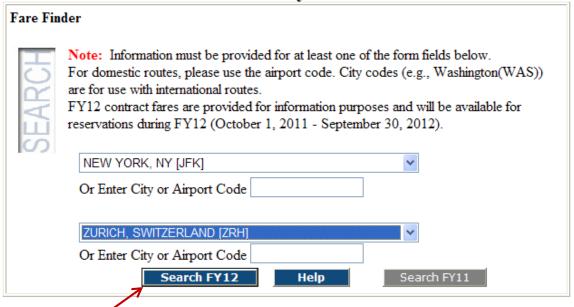
GSA Search



Federal Acquisition Service

GSA Home

Airline City Pairs



☐ Select Search

GSA Results with City-Pair Fare

☐ Search results indicate a City-Pair contract is in effect



GSA Results with City-Pair Fare

- ☐ Clicking on Origin airport provides carrier and fare information
- \square (YCA = unrestricted coach fare)



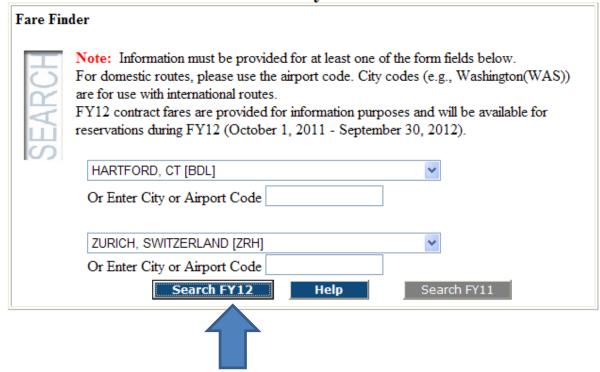
GSA Search



Federal Acquisition Service

GSA Home

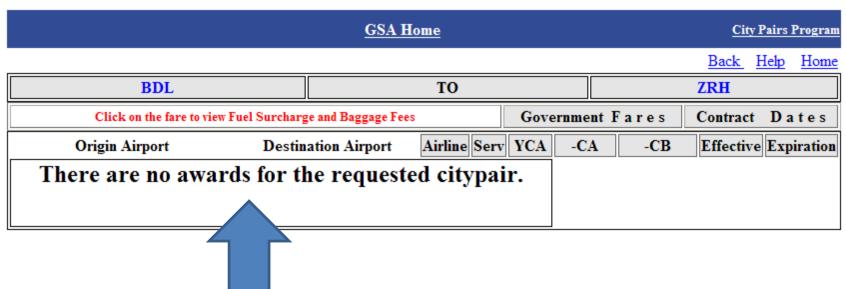
Airline City Pairs



GSA Results with No City-Pair Fare



Federal Acquisition Service



Orbitz For Business

Booking Airline Reservations

How can Orbitz for Business (OFB) help you comply with the Fly America Act and Open Skies Agreements?

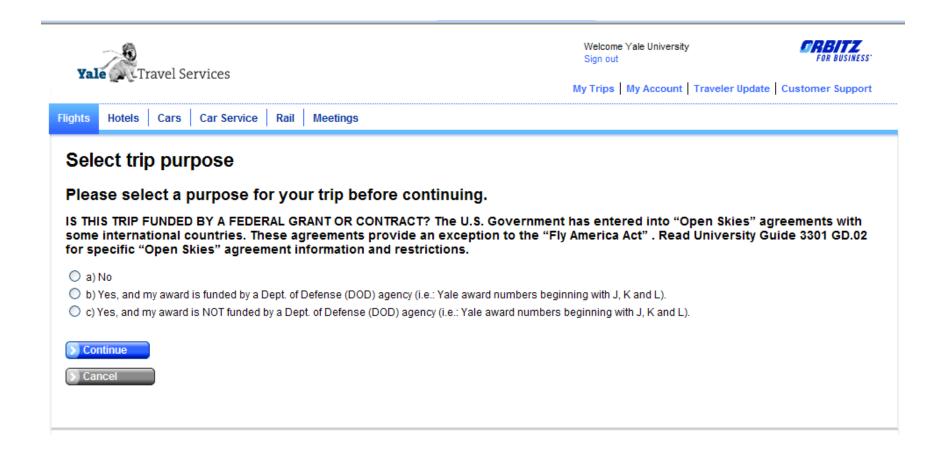
- Orbitz asks questions specific to Open Skies Agreements that guides the traveler through the booking process.
 - Travelers need to be aware but do not need to know all the specific details related to Open Skies Agreements.
- When questions are answered correctly, travelers do not have to worry about selecting an air carrier that is not in compliance with federal regulations.
 - OFB will determine appropriate air carriers based on your trips cities of origin and destination
 - Open skies air carriers have been uploaded into OFB
 - OFB will inform you if a city-pair check is required

Booking Reservations

- •Log onto Orbitz for Business https://www.orbitzforbusiness.net/Secure/OFBSignIn
- Insert city names and dates of Travel



Traveling to a foreign country with the exception of Australia, Japan, or Switzerland.



Answer "A" (not government funded) will provide a list of all applicable carriers.

		**Recommended				Company Preferred		Recommended			
	United Airlines	AMA American Airlines	Multiple Carriers	Korean Air	Air Canada	Delta Air Lines	ANA All Nippon Airways	Singapore Airlines	US Airways	Japan Airlines	
Non-stop			\$4,314 total \$4,548	\$1,471 total \$1,555		\$3,782 total \$4,164					
1 stop	\$846 total \$1,242	\$868 total \$1,287	\$868 total \$1,287	\$1,441 total \$1,532	\$1,325 total \$1,727	\$1,590 total \$1,979	\$1,987 total \$2,695	\$2,739 total \$3,193	\$4,674 total \$4,770	\$4,198 total \$4,906	
2+ stops			\$1,325 total \$1,747		\$1,325 total \$1,747						

Fares are per person in US dollars, using e-tickets. Total fare includes airfare taxes and fees. Additional baggage charges may apply. Some itineraries require paper tickets with an additional charge. Changes after booking are subject to change fees.

Airport codes

Answer "B" (funded by DOD) will provide a list of US flag air carriers only

			Company Preferred	** Recommended	**Recommended
	United Airlines	Multiple Carriers	Delta Air Lines	AMA American Airlines	US Airways
Non-stop			\$2,774 total \$2,947		
1 stop	\$716 total \$896	\$716 total \$896	\$1,327 total \$1,507	\$1,887 total \$2,078	\$3,092 total \$3,122
2+ stops	\$1,830 total \$2,028	\$2,774 total \$2,953	\$2,774 total \$2,972		

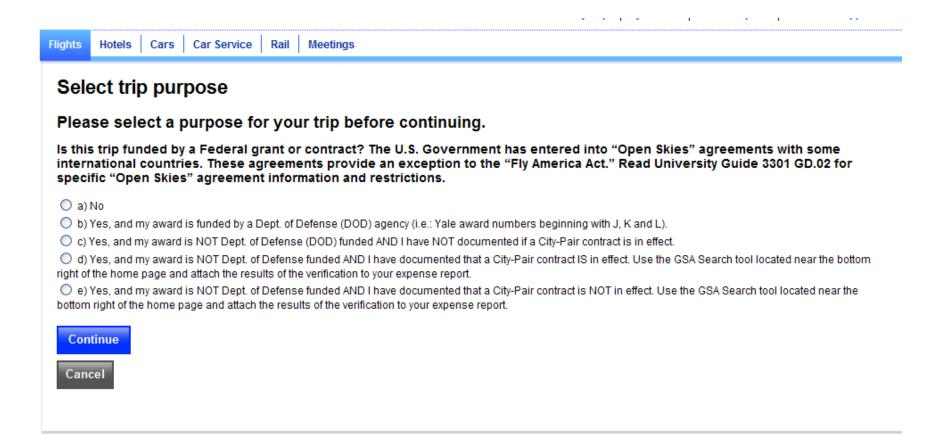
Fares are per person in US dollars, using e-tickets. Total fare includes airfare taxes and fees. Additional baggage charges may apply. Some itineraries require paper tickets with an additional charge. Changes after booking are subject to change fees.

Airport codes

Answer "C" (government funded but not by DOD) will return US and EU carriers.

					★★★ Company Preferred	** Recommended			* Recommended						
	& arbertin	Aer Lingus	Lufthansa	Multiple Carriers	Delta Air Lines	AMA American Airlines	United Airlines	brussels Brussels Airlines	US Airways	Virgin Virgin Atlantic	AF/ Air France	 beria	British Airways	TAP Portugal	SAS Scandinavian Airlines
Non- stop			\$1,013		\$998	\$1,013	\$1,013			\$1,205		\$1,375	\$1,375		
1 stop	\$530	\$679	\$989	\$989	\$1,005	\$1,020	\$1,013	\$1,036	\$1,153		\$1,231	\$1,423	\$1,380	\$2,078	\$2,330
2+ stops						-A-1									

These are the questions that will appear if you choose Australia, Japan or Switzerland as an origin or destination



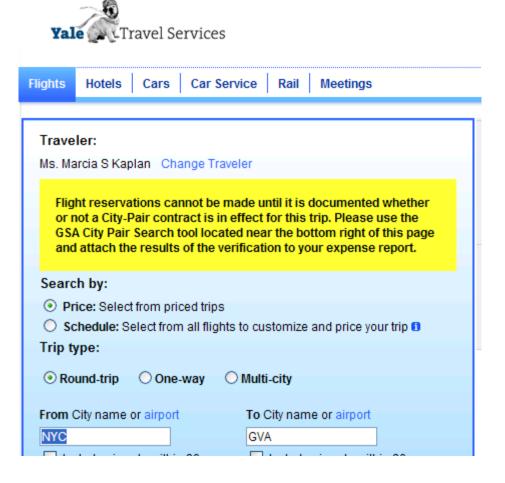
Answer "A" (not a federally funded trip) will return all carriers.



Answer "B" (trip is funded by DOD) will return US carriers only.

Traveler: Ms. Marcia S Kaplan Change search Tue, Apr 10, 2012 | Anytime | New York (All Locations), NY (NYC) to Geneva (All Locations), Switzerland (GVA) Return: Tue, Apr 17, 2012 | Anytime | Geneva (All Locations), Switzerland (GVA) to New York (All Locations), NY (NYC) A message from Yale University: The Fly America Act Fly America Act *** Recommended Recommended United **US Airways** Delta Air Airlines Airlines Lines \$924 Non-stop \$931 \$1,195 \$2.043 1 stop \$1,024 2+ stops

Answer "C" (federally funded but not by DOD, and have <u>not</u> checked for GSA city pair contracts) will return you to the search page, prompting you to check city pairs.



Attach a copy of the results screen to the expense report.

It is not relevant whether you are eligible to use the GSA contract price. If a city pair contract is in place you are <u>not</u> allowed to travel on that country's flag air carrier.



Answer "D" (federally funded but not by DOD and a city pair contract <u>is</u> in effect) will return US and European Union carriers. Will exclude country's flag carriers.

				**Recommended				Recommended						Company Preferred
	United Airlines	Multiple Carriers	/// Iberia	US Airways	AF/ Air France	British Airways	TAP Portugal	AMA American Airlines	Aer Lingus	Lufthansa	Virgin Atlantic	brussels Brussels Airlines	Austrian Airlines	Delta Air Lines
Non- stop	\$924													
1 stop	\$931	\$947	\$955		\$1,141	\$1,145	\$1,173	\$1,195	\$1,223	\$1,231	\$1,260	\$1,293	\$1,339	\$2,043
2+ stops				\$1,024										

Answer "E" (federally funded but not by DOD and a city pair contract is **not** in effect) will return US, European Union carriers, and will include country's flag air carriers.

						**Recommended				Recommended						Company Preferred
	KLM KLM Royal Dutch Airlines	Multiple Carriers	United Airlines	// Iberia	Swiss	US Airways	AF/ Air France	British Airways	TAP Portugal	AMA American Airlines	Aer Lingus	Virgin Atlantic	Lufthansa	brussels airlines Brussels Airlines	Austrian Airlines	Delta Ail Lines
Non- stop		\$1,014	\$924		\$1,014											
l stop	\$901	\$850	\$931	\$955	\$990		\$1,141	\$1,145	\$1,173	\$1,195	\$1,223	\$1,228	\$1,231	\$1,293	\$1,339	\$2,043
etops	\$848	\$848				\$1,024										

Take Aways

- ✓ The Fly America Act restricts the use of international flag air carriers charged to federal awards.
- ✓ Open Skies Agreements are exceptions to the Fly America Act.
- ✓ All Fly America Act exceptions and Open Skies Agreements exceptions must be documented by completing Form 3301FR.06.
- Orbitz For Business should be used, at a minimum, to check for flights that comply with the Fly America Act and Open Skies Agreements.
- Business and first class travel cannot be charged to federal awards.
- Additional costs for pillows, blankets, Wi-Fi and preferred seating cannot be charged to a federal award.

Resources

2 CFR Part 200 (OMB Circular A-81)

http://www.ecfr.gov/cgi-bin/text-idx?SID=15d5184c2810c3eef54cd7109663b443&node=pt2.1.200&rgn=div5

Procedure 1305 PR.04 Unallowable Costs

http://policy.yale.edu/procedure/1305-pr04-unallowable-costs

Guide 1305 GD.07 Determining Allowability, Reasonableness, and Allocability of Costs for Sponsored Projects

http://policy.yale.edu/guides/1305-gd07-determining-allowability-reasonableness-and-allocability-costs-sponsored-projects

Policy 3301 Travel on University Business

http://policy.yale.edu/policy/3301-travel-university-business

Form 3301 FR.06 Fly America Act Waiver Form

http://policy.yale.edu/sites/default/files/copy_of_form_3301_fr_06_documentation_for_travel_on_a_non-us_air_carrier.xlsx

GSA Airline City Pair Program Search Tool

http://cpsearch.fas.gsa.gov/