

Appropriate Uses of Government Travel Contracts

For Federal Contracting Officers & Government Contractors

- Eligibility
- Availability
- Authorization
- Airline Statements

Introduction

FY07 Federal Airline Contracts **do not allow any use of federal contract city pairs by any type of CRC. There are no exceptions. None!**

This SGTP publication will clarify what has become one of the most abused issues surrounding Government travel discounts: *the availability, eligibility and authorization to use Government travel and transportation contract fares* for the 230,000 Government Contractor organizations commonly referred to as "CRCs." This publication clarifies the guidelines for all Contracting Officers, Travel Agents and CRCs involved in the performance of a Government contract. *NOTE: One or more airlines DO NOT EXEMPT federal travelers from applicable paper ticket fees.*

What is a CRC?

A CRC can be anything from a Fortune 500 profit-seeking entity contracted with the Government to do work on a cost-reimbursable basis, to a non-profit entity, chartered by Congress to work solely for Government agencies. CRCs are eligible to use available Government discounts for travel performed in support of those contracts, ONLY with the approval of individual suppliers. *Agreement to use a Government rate is solely between the vendor, its contract with GSA or MSDDC-HQ, and each CRC.*

Background

Over the past few years, the General Services Administration (GSA) and Surface Deployment and Distribution Command (MSDDC-HQ) have reduced the cost of Federal travel, both through contractual arrangements and negotiated rate agreements with the airlines, car rental firms and the hotel industry. *The individual contracts and agreements between GSA/MSDDC-HQ and the vendors determine whether CRCs are eligible for participation under the contract.*

The Problem

The problem centers around the use of airfares. The Government generally enjoys the most heavily discounted, unrestricted airfares. As economy fares continue to rise and discount fares for business travel decline, the Government's discounts (projected at 60-67% off full economy fares for FY07, a \$3.6 billion saving) on 4,172 domestic and 789 international city pairs become increasingly attractive. Both contractors and contracting agencies are swayed by the potential to cut costs.

With the enormous savings potential involved, it is no wonder this issue generates so much interest and confusion. *Some Government contracting officers and auditors may have encouraged contractors to use unauthorized fares. GSA's official stance on this issue is that NO CRCs are eligible for CA, DG, MZ or any other government discount airfares. The airline statements on page 2 confirm this position.*

No Contract Air Fare Usage for CRCs

The ineligibility of CRCs to obtain Government discount fares (CA, DG, MZ) on ANY contract airlines during FY07 is not altered by the form of payment, the specific Travel Agency used or requirements imposed by individual contracting officers.

Capacity-Controlled Fares

Capacity-controlled fares are available on 2,300 city pairs during FY07 (vs. 337 in '02), ONLY FOR USE BY FEDERAL EMPLOYEES. The only difference from regular Government YCA fares (CA) is that airlines can control the availability of seats at this lower fare. No other restrictions. Please consult SGTP's website for more information about capacity-controlled airfares.

Car Rental & Lodging Availability

Numerous hotel and car rental firms extend Government discounts to CRCs. SGTP's website (Members Only section) lists hotel or car rental firms that have agreed to extend discounts to CRCs.

Car Rental & Lodging Authorization

It is important to reiterate that form of payment, be it GTR or approved Government charge card, does not authorize any use of Government discount rates.

Car Rental & Lodging Summary

In order to "do the proper thing," follow this simple procedure:

- First, determine if the company is a CRC and eligible to use any appropriate car rental and lodging discounts.
- Second, very carefully check which discounts are available to CRCs. The best resource for this is the supplier's website.
- Finally, obtain necessary authorization(s) and identifications from the US DHS/ICE contracting officers.

For More Information

You may wish to contact the following organizations for additional information:

DTMO:	TEL: 703/696-7000	FAX: 703/696-7890
GSA:	TEL: 703/872-8588	FAX: 703/872-3260
MSDDC-HQ:	TEL: 703/428-2691	FAX: 703/428-3392
SGTP:	TEL: 301/654-8595	FAX: 301/654-6663

Action

All federal agencies should circulate this information to contracting officers and to Government contractors, where applicable.



Society Of Government Travel Professionals

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Airline Statements

FY07 Government contracts with the airlines do not provide for any domestic or international contract city pair discounts to CRCs.

So that there are no misconceptions, the following airlines have issued statements on their current CRC policies:

AirTran Airways is delighted to serve the official government/military traveler. We value your business, and are dedicated to providing you with high quality air travel second to none. Please remember that the use of AirTran Airways' contract fares is limited to "mandatory" users with authorized forms of payment (government-issued credit cards, GTRs, or direct billing). Such users include bona-fide federal government employees and active-duty military personnel traveling on official government business. We do not extend the use of our government fares to CRCs, FFRDCs, GOCOs, and M&Os. AirTran Airways monitors the use of its fares closely, and will issue debit memos and/or take other corrective measures when misuse of its fares is detected. Such measures will include reporting violations through appropriate channels to the applicable contracting officer(s). AirTran Airways appreciates your compliance with its fare rules.

Joshua Junk, Revenue Management Analyst

AirTran Airways

Alaska Airlines and **Horizon Air** participate in the GSA city-pair program. Fare designators ending in "CA," "DG," "CADCA" and "DGDCA" are extended to Federal Government employees traveling on official business with an authorized form of payment. These fares are NOT extended for use by government cost reimbursable contractors (including CRC, FFRDC, GOCO, and M&O). The following fare codes are not valid: "CAAK," "DGCAL," "CAOR," "DGOR," "CAWA," "DGWA," "CAWADCA." Any misuse or abuse by travel agencies of the program will result in debit memos, and/or ticket audits.

Ginny Carruthers, Manager of Regional Sales, East Coast

Alaska Airlines

American Airlines continues firm in its policy of restricting use of city pair contract fares only to bona fide employees of the Federal Government who, without exception, must provide one of the required forms of payment for their tickets. These include government credit cards with specific authorized account numbers, and GTRs. Tickets issued against GTRs, including "single" or "blanket" GTRs, must be issued in accordance with procedures contained in the ARC Handbook, the FTR, and AA's agency reference system (SRS). Letters of authorization from various military or government agencies are not acceptable under any circumstances. Ensuring that tariff rules are followed is the responsibility of the TMO/CTO/travel agency that issues the ticket. While we appreciate the business of CRCs and other government contractors, they are not authorized to use these contract airfares. We permit no exceptions, and our newly automated audit system reviews virtually every government fare ticket issued, permitting us to vigorously pursue those who abuse the contract fare program. Penalties to agencies for misuse include debit memos and, in the most severe cases, cancellation of authority to issue tickets of any type on American. The efforts of SGTP and the military/government travel agency community in assuring proper use of American Airlines' contract fares are appreciated.

Rick Cirillo, Director - Military & Government Sales

American Airlines

ATA Airlines, Inc. policy regarding the use of our GSA government city pair fares is simple. We extend our GSA city pair fares only to employees of the federal government, traveling on official business, with an authorized form of payment. These fares are not extended to government cost-reimbursement contractors, including Federally Funded Research and Development Contractors (FFRDCs), Government-owned/Contractor Operated (GOCOs), or Management and Operating Contracts (M&Os). Unauthorized ticketing and use of these fares will result in the issuance of debit memos.

Bill Doherty, Director of Military & Governmental Affairs

ATA Airlines, Inc.

Delta Air Lines' policy regarding the use of GSA city-pair contract and other government fares is as follows: All fare basis codes which end with a "CA" or "DG" designator may only be used by the appropriate users as outlined in the scope of the GSA contract. These fares are not extended to Government Cost Reimbursable Contractors (including CRCs, FFRDCs, GOCOs, M&Os and Tribal Organizations not designated as mandatory users). It is the ultimate responsibility of the TMC/CTO to ensure that the individual airline's tariff rules are followed. The integrity and success of the GSA city-pair program relies on the proper application of these fares for only authorized individuals. Misuse or improper applications of these fares can result in financial penalties to the ticketing entity. Delta applauds the efforts of SGTP, GSA and DOD to clarify and communicate these policies to travel agencies and the government contractor communities.

Brian Munson, Acting Manager- Military & Government Sales

Delta Air Lines

Frontier Airlines is pleased to participate in the GSA city-pair program. We appreciate your assistance in conveying our policy. We extend our GSA city-pair fares only to employees of the federal government, traveling on official business, with an authorized form of payment (a U.S. government issued credit card, GTR or direct billing). Ensuring that tariff rules are followed is the responsibility of the agency issuing the tickets. Misuse or abuse of these fares may result in debit memos, ticket audits and potential penalties.

Donna Cavos, Pricing Manager

Frontier Airlines

Midwest Airlines extends its GSA city-pair fares only to employees of the federal government traveling on official business with an authorized form of payment. Fares with a fare designator of "CA" or "DG" are not extended to government cost-reimbursable contractors (CRCs), including Federally Funded Research and Development Contractors (FFRDCs), Government-owned/Contractor Operated () or Management and Operating Contracts (M&Os). Any misuse of these fares will result in debit memos, ticket audits, and potential penalties. Thank you for your assistance in maintaining the integrity of the GSA city pair program.

Pamela Arbeiter, Manager, Pricing

Midwest Airlines, Inc.

Northwest Airlines, Inc. policy regarding the use of our GSA government city-pair fares is very clear and direct. We extend our GSA city-pair fares only to employees of the federal government, traveling on official business, with an authorized form of payment (a credit card issued by the U.S. Government, GTR or Direct Billing). Northwest Airlines, Inc. policy prohibits the use of these fares by cost-reimbursable contractors (CRCs), including Federally Funded Research and Development Contractors (FFRDCs), Government-owned/Contractor Operated (GOCOs) or M&Os (Management and Operating Contracts) and any other contractor-type entities. Misuse or abuse of these fares will result in debit memos, commission recalls, ticket audits and potential penalties. Government employees are not exempt from applicable paper ticket fees. In markets where Northwest was not awarded this contract, Northwest will offer competitive fares.

Dennis E. Clifford, Director, Military and Government Sales

Northwest Airlines

Southwest Airlines thanks you for spreading the word concerning our policy on contract fares for the Federal Government. Cost-reimbursable contractors, (GOCO, FFRDC, and M&O) are not authorized to use fares with a fare designator of "CA" or "DG." Travel agencies who issue tickets to unauthorized passengers will receive debit memos from Southwest Airlines for the difference of issued fares and full-fare tickets. Thank you for your efforts in maintaining the integrity of the GSA program and communicating these policies to the travel agencies.

Scott Anderson, Manager National Accounts & Government Relations

Southwest Airlines Co.

United Airlines welcomes your help in communicating our policy, not only to Travel Agents, but also to the many cost-reimbursable contractors (CRC's) who comprise a valued portion of our customer base. Our policy, like that of all other major carriers, is straightforward: fare basis ending in the codes "CA," "DG" and "MZ" may be used only by direct employees of the Federal Government traveling for official government business related purposes only. Employees of CRCs, FFRDCs, and GOCOs are not eligible for these types of fares on United. Misuse of the fares can result in significant financial penalties.

Tom Billone, Military and Government Sales

United Airlines

US Airways' policy regarding the use of our GSA government city-pair fares is very clear and straightforward. We extend our GSA city-pair fares only to employees of the federal government, traveling on official business, with an authorized form of payment (government issued credit card or GTR). These fares are not extended to government cost-reimbursable contractors, including Federally Funded Research and Development Contractors (FFRDCs), Government-owned/Contractors Operated (GOCOs), or M&Os (Management and Operating Contracts). Misuse or abuse of these fares will result in debit-memos, commissions, recalls, and ticket audits.

Josh Flyr, Director, Strategic Pricing

US Airways



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