



Department Administrative Policy and Procedures

Subject: **Travel Under Externally Sponsored Agreements**
Effective Date: August 1, 2020

I. PURPOSE

[The Fly America Act](#) is a federal regulation that states that any foreign air travel that is financed by federal funds must be booked on U.S. Flag Air Carriers or [code-share](#) carriers, regardless of cost or convenience.

This policy is an extension of the [University of Wyoming Travel Policy](#). It applies to travel on federally sponsored and federal pass through agreements. It provides guidance to ensure that University and the traveler are in compliance with the Fly America Act. It also assures that travel and business expenses charged to federally sponsored projects conform to the regulations and restrictions placed on the use of the funds by the sponsor and the Fly America Act.

II. DEFINITIONS

A. **Fly America Act**

Federal travelers are required by 49 U.S.C. 40118, commonly referred to as the "Fly America Act," to use U.S. air carrier service for all air travel and cargo transportation services funded by the U.S. government. One exception to this requirement is transportation provided under a bilateral or multilateral air transport agreement, to which the U.S. government and the government of a foreign country are parties, and which the Department of Transportation has determined meets the requirements of the Fly America Act.

The U.S. government has entered into several air transport agreements that allow federal funded transportation services for travel and cargo movements to use foreign air carriers under certain circumstances.

III. POLICY

A. **Who is Governed by this Policy?**

This policy must be followed by all University of Wyoming faculty, staff, students, trainees' consultants and collaborators who are reimbursed for air travel with federal prime or federal pass through funds. It is the Principal Investigator's (PI) or his/her designee's responsibility to

ensure that all air travel charged to federal prime or federal pass through awards are in compliance with this regulation.

B. Code Sharing

Code-sharing agreements with foreign air carriers whereby American carriers purchase or have the right to sell a block of tickets on a foreign carrier, comply with the Fly American Regulations. This ticket, or documentation for an electronic ticket, must identify the U.S. carrier's designator code and flight number. This indicates that the flier is in a U.S. Flag carrier seat, regardless of the air carrier, which owns the aircraft. The key to meeting the requirements is that the ticket is purchased through the U.S. carrier. See <https://www.transportation.gov/policy/aviation-policy/licensing/code-sharing>

C. Exceptions to the Fly America Act

Travel to and from the United States

If a U.S. flag carrier offers nonstop and direct service (no aircraft change) from your origin to your destination, you must use a U.S. flag carrier service unless such use would:

- Extend travel time (including delay at origin) by 24 hours or more.

If a U.S. flag carrier does not offer nonstop or direct service (no aircraft change) from your point of origin to your destination, you must use a U.S. flag carrier service on every portion of the route that it provides service, unless such use would:

- Increase the number of aircraft changes outside of the U.S. by two or more; or
- Extend the travel time by at least 6 hours or more; or
- Require a connecting time of 4 hours or more at an overseas interchange point.

Travel between Two Points Outside the United States

You must always use a U.S. flag carrier for such travel, if available, unless when compared to using a foreign air carrier, such use would:

- Increase the number of aircraft changes you must make en route by 2 or more; or
- Require a connecting time of 4 hours or more at an overseas interchange point; or
- Extend travel time by 6 hours or more.

D. Involuntary Rerouting

Travel on a foreign-flag carrier is permitted if a U.S.-flag carrier involuntarily reroutes the traveler via a foreign-flag air carrier, notwithstanding the availability of alternative U.S.-flag carrier service.

E. Short Distance Travel

For all short distance travel, regardless of the origin and destination, use of a foreign-flag air carrier is permissible if the elapsed travel time on a scheduled flight from origin to destination by a foreign air carrier is *3 hours or less* **and** the use of a U.S. flag carrier air carrier *doubles the time en route*.

Note that all exceptions should be documented at the time of purchase. Exceptions to Fly America must meet one of the exception criteria and be justified and documented to be allowable on a federal award.

F. Open Skies Agreement

The biggest exception to the Fly America Act is the Open Skies Agreement, which is a bilateral or multilateral transport agreement between the United States government and the government of a foreign country. Currently there are four Open Skies agreements with the U.S. – European Union (including Norway and Iceland), Australia, Switzerland, and Japan. These agreements allow for travel sponsored on Federal awards to use foreign air carriers under certain circumstances. The Department of Transportation has determined that Open Skies Agreements meet the requirements of the Fly America Act.

Where an Open Skies Agreement exists a traveler may use the foreign airline except when:

- A General Services Administration (GSA) “[City Pair](#)” agreement exists (excluding European Union Airlines), or
- The travel is funded by the U.S. Department of Defense (DOD)

The GSA City Pair Program offers significantly discounted rates to Federal employees traveling abroad. If a City Pair Agreement exists for a foreign carrier, then the traveler using funds from a Federally Sponsored project must fly on a U.S. flag carrier prior to booking a flight. Travelers should look up their travel route on the [Airline City Pair Program Search Tool](#). If a published airfare route exists, then the traveler must fly on a U.S. flag carrier.

Note: Travelers cannot purchase the discounted city-pair contract rate, this is only for Federal employees.

On October 6, 2010, the United States and European Union (EU) “[Open Skies](#)” Air Transport Agreement was published by the U.S. General Services Administration providing full

explanation of the multilateral agreement in place so that qualifying travelers, whose travel is supported by federal funds, may travel on European Union airlines as well as U.S. Flag Air Carriers. For a list of countries part of the European Union, got to https://europa.eu/european-union/about-eu/countries_en

G. What do these Open Skies Agreements Mean to You?

1. European Union

- When traveling to a destination serviced by a European Union (EU) airline, travelers flying on a Federal grant can fly on either a US carrier or an EU carrier as long as they touch down in an EU country.
- On June 21, 2011, the [U.S.-EU Air Transport Agreement](#) was amended to include Norway and Iceland as though they were member states of the EU. The traveler may use a Norwegian or Icelandic airline.

2. Australia

- Travelers using Federal dollars can use an Australian airline only if a point of origin/destination is either the US or Australia and there is no city-pair contract flight between the two points (origin and destination). If there is a city-pair contract flight, then a U.S. airline must be used.

3. Switzerland

- Travelers using Federal dollars can use a Swiss airline only if a point of origin/destination is either US or Switzerland and there is no city-pair contract flight between the two points (origin and destination). If there is a city-pair flight, then a U.S. airline must be used.

4. Japan

- Travelers using Federal dollars can use a Japanese airline only if a point of origin/destination is either US or Japan and there is no city-pair contract flight between the two points (origin and destination). If there is a city-pair flight, then a U.S. airline must be used.

For more information about Open Skies refer to:

<https://2009-2017.state.gov/e/eb/tra/ata//index.htm>

Please note: Travelers using Department of Defense (DOD) are not permitted to take advantage of the Open Skies Agreements. Travelers using DOD funds must use a U.S. carrier, unless they qualify for an exemption as noted in FTR 301-10.135 sections (a), (d) (e), (f), and (g):

- (a) Use of a foreign air carrier is determined to be a matter of necessity in accordance with 301-10.138; or
- (d) No U.S. flag carrier provides service on a particular leg of the route, in which case foreign air carrier service may be used, but only to or from the nearest interchange point on a usually traveled route to connect with U.S. flag carrier service; or
- (e) A U.S. flag air carrier involuntarily reroutes your travel on a foreign air carrier; or
- (f) Service on a foreign air carrier would be three hours or less, and use of the U.S. flag air carrier would at least double your en route travel time; or
- (g) When the costs of transportation are reimbursed in full by a third party, such as a foreign government, international agency, or other organization.

Note that all exceptions should be documented at the time of purchase. Exceptions to Fly America Act must meet on the exception criteria's and be justified and documented to be allowable on federal award (see 41 CFR 301.10-141).

If supporting documentation is not provided, the cost of foreign air carrier travel is deemed unallowable and must be covered by non-sponsored funds.

IV. FREQUENTLY ASKED QUESTIONS

What is the Fly America Act?

The Fly America Act is a federal regulation that requires that any foreign air travel funded by the federal government be booked with U.S. flag carriers, regardless of convenience.

I have funding from both federal and non-federal sponsors. Are there rules relating to travel costs charged to federal awards that are different than those for non-federal awards?

Yes. Any travel costs charged to federal awards must comply with federal regulations, including the requirement to book the lowest economy airfare and comply with the Fly America Act. Travel on a non-federal award does not need to meet the Fly America Act requirement.

What is a U.S. flag air carrier?

In general, all airlines based in the United States qualify. Specifically, a U.S. flag air carrier is one that holds a certificate under Section 401 of the Federal Aviation Act of 1958. If you

have questions on where a particular airline is based, you search the airline data base (<http://www.airlinecodes.co.uk/aircodesearch.asp>).

In addition, travelers are allowed to fly on code share flights operated by foreign carriers. A flight qualifies if a ticket is purchased from a U.S. flag carrier, but the aircraft is operated by a foreign airline. Your ticket will identify the U.S. carrier in this case. For Example, "AA 3641 operated by SAA 642" (AA = American Airlines, SAA = South African Airways).

What is a code share flight?

The traveler is considered to be on a code share flight if he/she purchases a ticket from one carrier but flies on an aircraft owned by another airline. This would be a ticket that is issued by a U.S. air carrier that states "U.S. air carrier flight xxxx operated by foreign air carriers." There may be a list of code share partners on the U.S. air carrier's website; however, not all flights on those partner airlines are operated under code share agreements. Only code share flights booked properly through the U.S. carrier are allowable.

Allowable: AA 3641 operated by QF 4321

Unallowable: QF 4321 operated by AA 3641

(AA = American Airlines, QF = Qantas Airways)

How do I determine whether a flight is a code share flight?

Tickets/electronic receipts include the information necessary to determine if a flight is a qualifying code share. Tickets must be issued by the U.S. flag carrier and the flight number must use the code of a U.S. carrier (e.g. UA, AA).

If you have questions, before purchasing a ticket, you can contact the airline, which is required by law to answer questions related to code share flights.

Where can I find the airline designator codes?

If you are trying to determine the country of origin of an airline, visit the Airline Codes Website (<http://www.airlinecodes.co.uk/aircodesearch.asp>). You can search for any airline and see the country associated with the airline on the Airline Code Search Results page (<http://www.tvlon.com/resources/airlinecodes.htm>).

What if I'm flying within a foreign country or between two foreign countries?

Even when traveling between two foreign locations, a traveler must abide by the Fly America Act regulations. Certain exceptions may apply.

What if there are no U.S. flights available?

You must use a U.S. flag carrier for all legs of your route on which a U.S. flag carrier is an option. If a U.S. flag carrier does not travel to your final destination or does not provide service on a portion of your route, you may use a foreign air carrier only on the leg(s) for

which U.S. service is unavailable. If a Fly America Act exception exists, it is the traveler's responsibility to obtain the supporting documentation at the time of purchase to substantiate the allowable exception.

- I am planning an international trip that is approved under my federal award. What issues do I need to consider when booking the airfare?**

The Fly America Act states that when using federal funds, you must use U.S. flag carriers or flights operated under a U.S. code share agreement to travel to the foreign destination. The easiest way to ensure that you are flying on a U.S. Flag Air Carrier is to book your travel directly through the U.S. flag air carrier. Using a travel website such as Kayak, Expedia, Travelocity, etc. can cause confusion, as these websites are designed to find the lowest fares regardless of air carrier.

- Do trainees, students, consultants, or other non-University of Wyoming personnel have to follow the Fly America Act?**

Yes, the Fly America Act must be utilized by all individuals who are seeking reimbursement for travel costs on federal awards. If trainees, students, consultants, collaborators, or other non-University of Wyoming personnel book travel on foreign air carriers, they will not be eligible for reimbursement from federal sources.

In addition, international collaborators and consultants must also follow this regulation. Please make sure to work with international consultants before they make flight arrangements to ensure that they are aware of U.S. air carrier restrictions.

- In researching available flights, we discovered that booking a flight on a foreign air carrier costs substantially less than booking on a U.S. air carrier. We want to save the award funding for other research-related purposes. Is this an allowable exception to the Fly America Act?**

No, the Fly America Act specifically states that the decision to use a foreign air carrier must not be made solely on the cost of the ticket.

- I have already purchased a ticket to a foreign destination. The receipt includes portions of the flight that are booked on U.S. flag air carriers and portions booked on non-U.S. flag air carriers. Can the portions booked on the U.S. flag air carriers be charged to the grant?**

It depends on who issued the ticket or if there is a flight specific code share in place. If a U.S. flag carrier issued the ticket (i.e. it is printed on a U.S. air carrier ticket/boarding pass/receipt), then the expense will, in most cases, be eligible for reimbursement. If the ticket is issued by a foreign air carrier (i.e., the foreign airline is printed on the ticket/boarding pass/receipt), the ticket is not eligible for reimbursement on a federal award, even if there are portions of the flight that have a U.S. Air Carrier flight designator code. This is due to the fact that this ticket would have been booked incorrectly through the code share process. If a Fly America Act exception exists, it is the traveler's

responsibility to obtain the supporting documentation at the time of purchase to substantiate the allowable exception.

- I have traveled to a foreign destination. The flights with the U.S. were on U.S. air carriers with tickets issued by the U.S. air carrier, and the flights to and/or within the foreign countries were on foreign carriers with tickets issue by the foreign carrier. Can domestic flights be charged to the grant?**

Yes, the domestic portions issued on tickets from U.S, air carriers can be charged to the federal grant. However, the tickets issued by the foreign carriers may not be charged unless there were no U.S. flag air carriers flying to that destination. Please note that U.S. flag air carriers must be used to the furthest point possible, and one should only switch to the foreign carrier for the portion where there is no U.S. flag carrier available. Travelers must make sure to attach to the Expense Report request in WyoCloud the flight information at the time of purchase to substantiate that there was no U.S flag air carrier available.

- I have a conference in Paris, and then must travel to London for a collaborator meeting at a subrecipient institution. The flights between Paris and London were booked on British Airways. Can this be reimbursed from my federal award?**

It depends. This flight could possibly be reimbursed by a federal award if it was booked on an EU or U.S. carrier under the Open Skies exception, unless you are using Department of Defense (DOD) funds. If you are using DOD funds, then this flight would not be eligible for reimbursement unless it met one of the other Fly America exceptions.

- We found an Air Canada ticket that costs less than the ticket on a U.S. carrier. Can we book this flight?**

No. You must adhere to the Fly America Act and fly a U.S. flag air carrier, unless you meet one of the exemptions of the Fly America Act.

- How do I verify that I have secured the lowest available commercial discount fare?**

The traveler is expected to secure the lowest available commercial discount or coach airfare at the time of booking travel, whether through a travel agent or by booking travel themselves.

- When combining airfare for personnel travel with business, how do you determine the portion that is allowable and allocable to the federal award?**

If you are booking a flight with more stops or a longer duration than required for the business trip due to personal travel, then you should provide as documentation a comparable itinerary (including price, dates, and air class) based on the business portion of the travel. The comparison itinerary must be obtained at the time of purchase or within one business day of booking the flight. Only the allocable business portion of the travel can be charged to the federal award.

Is a coach-class seating upgrade airfare ticket an allowable charge on Sponsored Projects?

The cost of premium economy airfare and other offers provided by airlines in excess of the base price for a coach ticket is unallowable on sponsored projects. The use of these upgraded/preferred coach seating options is generally a traveler's personal choice and therefore is at the traveler's personal expense (see 41.CFR 301-10.124). The cost attributed to the upgraded service cannot be charged to a sponsored project and must be deducted from the total amount of the airfare requested for reimbursement. The comparable flight documentation provided should be provided with the reimbursement request. The comparable flight documentation provided should include the base price for the coach airfare at the time of the booking. Failure to isolate the upgrade cost and provide comparable documentation will result in denial of the reimbursement of the entire airfare on a sponsored project.

What is the consequence if I do not travel under the lowest available discount fare?

If airfare is determined unreasonable and no comparable documentation provided, the flight cost will be disallowed and not reimbursed on a sponsored project.

My trip may be canceled or rescheduled. Can I purchase a fully refundable airline ticket?

No. In most cases it is less expensive to pay the change fee for a rebooked ticket than to pay for a fully refundable ticket. In cases where there is a high probability that the trip could be cancelled and the funds are not available for a future flight, the purchase of trip insurance is allowable if supporting documentation is thoroughly completed and justification is provided.

What should I do with my ticket if my trip is canceled?

Many non-refundable tickets can be used for future travel after paying a change fee. Confirm with the issuing agent or airline that the ticket can be used for future travel. It is the responsibility of the traveler to track unused airline tickets for future business use. If future travel is related to a sponsored project the usual sponsored project rules apply.

Can I upgrade my ticket?

An upgrade is an unallowable expense on sponsored projects and is not permitted and will not be reimbursed. Free upgrades or upgrades paid by the traveler must be clearly documented when seeking reimbursement. Extra cost beyond the base fare is considered an upgrade to the ticket and is not reimbursable by a sponsored project account.

- **What happens if I do not provide supporting documentation with my travel reimbursement?**

If supporting documentation is not provided, the cost of foreign air carrier travel is unallowable on a sponsored project and must be reimbursed by non-sponsored (personal or departmental) funds.

Responsible Division/Unit: Administration / Office of Research and Economic Development,
Office of Sponsored Programs

Links:

[University of Wyoming Travel Policy](#)

[General Services Administration \(GSA\) Fly America Act and Open Skies Agreement](#)

[The City Pair Program \(CPP\)](#)

[Airline City Pair Program Search Tool](#)

Fly America – Open Skies Decision Tree (See attached)

[NIH Grants Policy Statement on the Fly America Act](#)

[NSF's Proposal & Award Policies & Procedures Guide \(PAPPG\)](#)

Approved: