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Approved for Release
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DEPARTMENT OF COMMERCE (DOC)
CHIEF FINANCIAL OFFICER AND ASSISTANT SECRETARY FOR ADMINISRATION
OFFICE OF ADMINISTRATIVE SERVICES

TRAVEL BULLETIN # 02, FY08

SUBJECT: Contract City Pair Fares — Fiscal Year 2008

EFFECTIVE DATE: December 14, 2007

EXPIRATION DATE: Effective until canceled or superseded

SUPERSEDES: Not Applicable

BACKGROUND: The Department is a mandatory user of the General Services Administration (GSA) city-pair contract. Uniformed members of NOAA Corps and Foreign Service Officers are exempt from using contract city-pair carriers; however, they are encouraged to use them.

PURPOSE: There are changes to the contract city pairs fare program. This Travel Bulletin explains the GSA contract city pair fare program for Fiscal Year 2008.

PROCEDURES:

The General Services Administration (GSA) released the fiscal year 2008 contract city pair fares that took effect on October 1, 2007, covering about 5,000 routes. The City Pair Program (CPP) has many features that allow Government travelers all the flexibility possible, which is critical in planning official travel. Non-stop service was awarded in 95% of the markets where non-stop service was offered, fares are priced as one-way allowing for multiple destinations at the same great price, fares are unrestricted meaning no advance purchase necessary, no minimum or maximum length of stay required, tickets are fully refundable, no charge for cancellations or changes, last seat availability and no blackout periods. Each fall, GSA identifies most used routes based on demand using travel information from Federal agencies and by using data from the GSA travel charge card contractors. A solicitation is issued in the early spring, with offers due shortly thereafter. All offers are scored and assigned points based on the evaluation factors (such as number of flights and time/distance traveled), best value (time, nonstop service, number of flights, number of seats), and market condition (one carrier vs. multiple carriers for the city pair).

City pair fares average 69 percent less than regular commercial rates. GSA receives exceptional pricing because using the contract city pair fares is mandatory, unless a valid

exception exists. Commercial airfares can be highly volatile, so an exception to the mandatory use requirement allows Government travelers to take advantage of any low commercial fares offered by non-contract carriers, if the fares are also offered to the general public. Travelers that use this exception would have to abide by the restrictions. Restrictions on discounted commercial fares usually include nonrefundability, change or cancellation fees, and minimum or maximum stay requirements. Additional exceptions to the mandatory use requirement are contained in the Federal Travel Regulation (FTR § 301-10.107) and are summarized as follows:

- No CPP seats/flights are available in time to accomplish purpose of travel
- All CPP flights are outside core work hours
- Cost effective rail travel is available
- No non-smoking CPP flights are available

Dual airfares continue to be available in FY 2008. The dual fares include: a highly discounted unrestricted fare (YCA), and a capacity controlled fare (_CA) with an even deeper discount. _CA fares have a limited number of seats, but no other restrictions. _CA availability varies carrier-by-carrier and market-by-market. If your travel plans are certain, then get additional savings by booking a _CA fare.

This year GSA awarded contracts to 14 carriers to include first time contracts with JetBlue Airlines, North American Airlines, Express Jet and Mesa Airlines. Southwest Airlines no longer has a contract, but plans to keep offering federal travelers fares equivalent to the City Pair rate on routes it has previously served.

Due to the continued volatility in fuel costs, in FY 2008, the City Pair Program is allowing airlines to assess a fuel surcharge to domestic or international contract fares under the following conditions:

- The new fuel surcharge has been implemented commercially in a market during the period after the submission of offers, March 28, 2007, through the contract period ending September 30, 2008. The fuel surcharge may only be assessed on fares corresponding to the contract fares after the surcharge has been in place commercially for a minimum of 14 consecutive days.
- The fuel surcharge may not be higher than that imposed commercially.
- The fuel surcharge will be assessed at the time of ticket issuance.
- The fuel surcharge will be removed from the contract fares when it is no longer imposed commercially on the applicable fares in a market.

The following table displays the Department of Commerce's most frequently used city pairs, and the awarded airline, standard city pair fare, and capacity controlled fare for FY 2007 and FY 2008.

DOC's Most Used City Pairs	FY 2007 Awarded Airline	FY 2007 Standard City Pair	FY 2007 Capacity Controlled	FY 2008 Awarded Airline	FY 2008 Standard City Pair	FY 2008 Capacity Controlled
Seattle/Tacoma - Washington National	United Airlines	$227.00	$190.00	United Airlines	$227.00 (No change)	$190.00 (No change)
Boston - Washington National	US Airways	$230.00	$170.00	US Airways	$250.00 (Increase)	$178.00 (Increase)
Chicago – Washington National	United Airlines	$ 84.00	None	United Airlines	$ 88.00 (Increase)	None (No change)
Los Angeles – Washington Dulles	United Airlines	$201.00	$154.00	United Airlines	$174.00 (Decrease)	None (Change)
Juneau – Seattle/Tacoma	None	None	None	None	None (No change)	None (No change)
Baltimore Washington – Louisville	Southwest Airlines	$106.00	$96.00	US Airways	$133.00 (Increase)	$110.00 (Increase)
Denver – Washington National	United Airlines	$209.00	$161.00	Frontier Airlines	$199.00 (Decrease)	$159.00 (Decrease)
Kansas City – Washington National	Midwest Express Airlines	$160.00	$105.00	Midwest Express Airlines	$165.00 (Increase)	$110.00 (Increase)

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