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

TRAVEL BULLETIN #04, FY10

SUBJECT: Use of Non-Contract Fares and Amendment to *DOC Travel Handbook*

EFFECTIVE DATE: Immediately

EXPIRATION DATE: Effective until canceled or superseded

PURPOSE: This bulletin serves 1) to clarify DOC travel policy related to the use of non-contract fares, and 2) to encourage prudent use of authorized, non-refundable or restricted fares, which may provide a business convenience and potential cost savings to the Department.

BACKGROUND:

Federal Travel Regulation: Exceptions to the mandatory use of contract city-pair fares are listed in the Federal Travel Regulation (FTR)

FTR § 301-10.107 lists these exceptions:

- (a) Space on a scheduled contract flight is not available in time to accomplish the purpose of your travel, or use of contract service would require you to incur unnecessary overnight lodging costs which would increase the total cost of the trip;
- (b) The contractor's flight schedule is inconsistent with explicit policies of your Federal Department or agency with regard to scheduling travel during normal working hours;
- (c) A non-contract carrier offers a lower fare to the general public that, if used, will result in a lower total trip cost to the Government (the combined costs of transportation, lodging, meals, and related expenses considered); Note to paragraph (c): This exception does not apply if the contract carrier offers the

same or lower fare and has seats available at that fare, or if the fare offered by the non-contract carrier is restricted to Government and military travelers performing official business and may be purchased only with a contractor-issued charge card, centrally billed account (*e.g.*, YDG, MDG, QDG, VDG, and similar fares) or GTR where the two previous options are not available; or

(d) Cost effective rail service is available and is consistent with mission requirements.

FTR § 301-10.108 lists requirements which must be met to use a non-contract fare:

(a) Before purchasing a non-contract fare you must meet one of the exception requirements listed in §301-10.107 and show approval on your travel authorization to use a non-contract fare; and

(b) If the non-contract fare is non-refundable, restricted, or has specific eligibility requirements, you must know or reasonably anticipate, based on your planned trip, that you will use the ticket; and

(c) Your agency must determine that the proposed non-contract transportation is practical and cost effective for the Government.

Note to §301-10.108: Carrier preference is not a valid reason for using a non-contract fare.

PROVISION: DOC Travel Handbook §§ C301-10.115 – 17 are replaced with this wording:

DOC § C301-10.115

(a) **Exceptions to the use of contract city-pair fares.** The authorizing official may authorize an employee to use a non-contract fare as long as the employee meets one of the exceptions to the use of contract city-pair fares listed in Federal Travel Regulation § 301-10.107. The exception justifying the use of a non-contract fare must be stated on the travel authorization. Costs or penalties incurred from unauthorized use of a non-contract fare are borne by the employee.

(b) **Fees assessed when using non-contract/non-refundable fares.** Non-contract/non-refundable fares carry certain restrictions and have specific eligibility requirements. Note that for every change/cancellation made after the purchase of the non-contract ticket, the airline(s) will charge a change/cancellation fee, and the Travel Management Center (TMC) (*i.e.*, AdTrav or SATO) will charge a transaction fee. Because change/cancellation fees associated with non-contract fares may be significant, the employee and authorizing official must know or reasonably anticipate that the employee will use the non-contract ticket before authorizing it on the travel authorization. If

an employee's itinerary or schedule is likely to change, the use of a seemingly attractive non-contract fare may quickly cease to be a prudent choice when compared to the flexibility inherent in a contract city-pair fare. Change/cancellation fees for domestic flights may range up to \$150 per change. Change/cancellation fees may range up to \$300 per change for international flights depending on the carrier.

(c) Responsibility for extra costs. In the event of an unanticipated change/cancellation in schedule made for official reasons, or necessitated by circumstances beyond the employee's control, or of an emergency nature, the Government is responsible for all costs associated with the ticket, and the approving official must specifically authorize these costs on either an amended travel authorization or on the travel voucher. In the event of a change/cancellation in schedule made for the personal preference of the employee, the employee is responsible for all costs associated with the ticket.

(d) When to process an amendment to the travel authorization. When an employee makes a change to a non-contract ticket based on official necessity, which increases the cost of the new ticket, an amendment to the travel authorization adding the difference in fare, as well as the applicable change fee(s) is required.

For additional guidance see Attachment A: Procedures for Scheduling Travel with Non-Contract Carriers and Non-Refundable Fares.

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Procedures for Scheduling Travel with Non-Contract Carriers
and Non-Refundable Fares

The following procedures and guidelines are provided to help the prudent employee schedule travel that includes authorized non-contact fares, minimize change/cancellation fees, and when possible, generate savings for the Department.

1. **Authorization of non-contract fares.** When using a non-contract fare, and a city-pair fare is available, ensure that the applicable exception justifying a non-contract fare is stated on the travel authorization. Additionally, the employee must provide the TMC an itinerary signed by the authorizing official acknowledging the acceptance of the non-refundable fare prior to issuance of the ticket.
2. **Where to make travel arrangements.** With an approved travel authorization, employees must use the Travel Management Center (TMC) (i.e., AdTrav or SATO) or, where available, the On-line Booking Engine (OBE) (i.e., FedTraveler) for making all travel arrangements. Employees are not authorized to make official travel arrangements through an "on-line commercial travel agency" or with an airline directly. (Note: The TMC and OBE contracts require that the employee is first offered the contract city-pair fare. An employee may request the agent to provide additional options for non-contract fares. An employee using the OBE may select the non-contract fare.)
3. **Form of payment.** Employees must use a Government form of payment when paying for airfare, i.e., the Government-issued centrally-billed account (CBA) or, in the event of unusual circumstances, the employee's contractor-issued Government travel charge card (currently the JP Morgan Chase travel card).
4. **How to confirm reservation/tickets.** During the reservation process, employees will receive an itinerary. It is important to verify the accuracy of the reservation by checking over the itinerary. Once the itinerary is verified, an approved travel authorization, along with the signed itinerary, must be sent to the TMC or OBE in order to purchase tickets. Once ticketed, employees will receive an invoice that confirms that the ticket has been successfully purchased/ticketed. The invoice guarantees the fare and not the itinerary. It is important to verify the accuracy of the invoice and to notify the TMC immediately regarding any error(s).
5. **Expiration date for non-refundable fares.** Non-refundable fares expire if not ticketed within 24 hours. It is important to ensure that the approved travel authorization is received by the TMC within the 24-hour period, otherwise the fare will expire and the reservation will cancel. Please note that each time a non-refundable ticket is rebooked after a cancellation, the Department is assessed an additional charge in the form of a debit memo.