ADDITIONAL REFERENCES


PURPOSE

The purpose of this procedure is to outline the requirements for use of a non-U.S. carrier for travel charged to a federal sponsored project. This procedure only applies to federal and federal pass-through awards.

See the ECU Business Manual for additional travel review and processing procedures. The following only provides requirement for charging federal awards for the cost of transport carriers.

GENERAL

A U.S. flag carrier must be used for all travel charged to any federal award, unless the following exception criteria are met. Cost considerations or general convenience of the traveler may not be used as an exception to these requirements.

Only the Director of the Office of Grants & Contracts (OGC) or the Vice Chancellor for Research and Graduate Studies (VC-RGS) may authorize the use of a non-U.S. carrier for travel charged to a federal award.

The Comptroller General of the United States, by Decision B138942 of June 17, 1975, amended March 31, 1981, provided guidelines for implementation of Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974. Subsequent agency policy guidelines and interpretations expanded the scope of the requirement to all transportation carriers. The following language is extracted from the Decision document and sponsor guidelines.

Any air transportation to, from, between, or within a country other than the U.S., of persons or property, the expense of which will be assisted by a federal award, must be performed on a U.S.-flag air carrier if service provided by such carrier is “available”.
The following rules apply unless the result would be use of a foreign air carrier ("foreign carrier") for the first or last leg of travel from or to the U.S.:

(1) A U.S. – flag air carrier ("U.S. carrier") shall be used to destination or, in the absence of through service, to farthest interchange point.

(2) If a U.S. carrier does not serve an origin or interchange point, a foreign carrier shall be used to the nearest interchange point to connect a U.S. carrier.

(3) If a U.S. carrier involuntarily reroutes the traveler via a foreign carrier, the foreign carrier may be used.

Exceptions - In the following situations, use of a foreign carrier is permissible:

(4) Travel to and from the U.S. - Use of a foreign carrier is permissible if:

   (a) The airport abroad is the origin or destination airport, and use of a U.S. carrier would extend the total travel time 24 hours or more than would travel by foreign carrier; or

   (b) The airport abroad is an interchange point, and use of a U.S. carrier would require the traveler to wait six (6) hours or more to make connection; or

   (c) Would extend the total time six (6) hours or more than would travel by foreign carrier.

(5) Travel Between Points Outside the U.S. - Use of foreign carrier is permissible if:

   (a) Travel by foreign carrier would eliminate two (2) or more aircraft changes en route; or

   (b) Travel by U.S. carrier would extend the total travel time six (6) hours or more than would by foreign carrier.

(6) Short Distance Travel.

For all short distance travel, regardless of origin and destination, use of a foreign carrier is permissible if the elapsed travel time on a scheduled flight from origin to destination airport by foreign carrier is three (3) hours or less and service by U.S. carrier would double the travel time.
SPECIAL NOTES

Many U.S. carriers have entered into partnership agreements with foreign carriers for certain routes of travel (e.g., Delta and Air Mexico). When travel is booked through the U.S. carrier and the flight is through a foreign partner, the cost is allowable. The partnership booking must be documented on either the ticket stub or through the travel agent.

It is assumed that any travel within the United States would not have the need for the use of a foreign carrier and would not meet any of the exception criteria. Use of a non-U.S. carrier for U.S. domestic travel will not normally be approved.

It is assumed that most travel will normally be by air and/or that no foreign carrier will be used for other transportation modes (e.g., train, boat, bus, etc.) within the United States. However, if there is a need for other modes of transportation, all domestic travel must normally be by U.S. carrier. When the travel takes place within a foreign country the non-air transportation may be by local, non-U.S. carrier.

Travelers are encouraged to contact OGC before any purchase/commitment is made for tickets involving a non-U.S. carrier or other foreign travel commitments. Before the expenditure is made, OGC can assist with a pre-review of the situation for compliance with this policy and other sponsor guidelines and provide information on the justification and documentation required to authorize the use of a foreign carrier, when necessary. Contacting OGC in advance may help minimize the possibility of disallowed costs.

When discussing or booking travel arrangements for foreign visitors, the foreign traveler should be advised of the U.S. carrier requirements if the charge will ultimately be reimbursed by or charged to a federal award. The fact that the traveler is a resident of another country or that the travel originated in another country is not, in itself, a justification for the use of the foreign carrier. All travel must meet the justification and authorization requirements outlined in this policy.

Inclusion of foreign travel descriptions which may outline anticipated use of a foreign carrier, in proposal budget justifications and awards, is not, in itself, authorization for use of a non-U.S. carrier. Each trip must be specifically documented for compliance with this policy at the time costs are incurred for the travel activities.

PROCESSING

Any travel-related purchase request or travel reimbursement form or other payment request involving the use of a non-U.S. carrier, for any leg of a trip, should be routed to OGC for review/approval prior to submission to the Travel Office or Accounts Payable for payment. A justification and documentation for the use of the non-U.S. carrier, in accordance with this policy, should be attached to the payment documents.

When providing justification for use of a foreign carrier, direct source information should be provided to document the use of the carrier, whenever possible.
Examples: A booking agent letter or carrier schedules that provide verification of layover times or the unavailability of alternate flights; the tickets stubs or the booking agent or the carrier provide information showing the partnership arrangement between the U.S. and the foreign carrier for the booking.

**DISALLOWED COST**

OGC may disallow costs when use of a foreign carrier has not been authorized. If the carrier is not approved, the cost must be transferred to a non-sponsored fund and cannot be transferred to another sponsored project. The other costs of the travel may be charged to the federal award (if otherwise allowable under the terms of the sponsored agreement); even if the carrier portion of the costs is disallowed.