

# NIH Policy Manual

## 1500-03 - Transportation

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Transmittal Notice

**1. Explanation of Material Transmitted:** The material transmitted contains amended language in order to better clarify existing Federal Travel Regulation (*FTR*\*) guidance and to reflect recently issued changes in HHS policy guidance. Areas of travel affected include: Non-Use of Contract City Pair Airfares; Train Service Requirements; Premium Class Accommodations; Fly America Act and Use of Foreign Flag Air Carriers; and Taxi and Shuttle Services.

\* *FTR Links:* GSA has recently modified it's web site display of FTR Chapters 300-304. As a result, a new GSA Portal page is available at: <http://www.gsa.gov/Portal/gsa/ep/home.do?tabId=0>.

In order to access these chapters, users must:

- 1) click on URL above
- 2) click on "Policy" button near top of screen
- 3) scroll down list of terms and click on "Travel"
- 4) go to left frame, scroll down, and click on "Federal Travel Regulation"
- 5) in middle of main screen, click on "Access the Federal Travel Regulation (FTR)"
- 6) go to left frame and click on "FTR Library"

**Partial Revisions:** 12/12/05\*\*, 9/5/06\*\*\*, 10/3/06\*\*\*\*, 10/10/07\*\*\*\*\*, 1/2/18\*\*\*\*\*, 3/29/18\*\*\*\*\*, 4/11/19\*\*\*\*\*, 7/3/2019\*\*\*\*\*

\*\*NIH Manual 1500-03-02, Section G3, NOTE 1, was revised 12/12/05.

\*\*\*NIH Manual 1500-03-06(A) was revised 9/5/06.

\*\*\*\*NIH Manual 1500-03-02(G) was revised 10/3/06. [An amendment to 1500-02-01 deletes language regarding the procurement of Internet airfares in that corresponding policy can now be found at 1500-03-02(H). An amendment to 1500-03-02 was necessitated by the newly instituted Federal Travel Regulation provision as it pertains to the Use of Contract City-Pair Service and Non-Contract Carrier Service (FTR 301-10.107), and as previously mentioned, to insert the new NIH policy regarding the procurement of Internet airfares. An amendment to 1500-03-06 is being effected in line w/ new NIH travel policy necessary to ensure that authorization and approval of use of a rental car for official business is properly

justified and documented.]

\*\*\*\*\*NIH Manual 1500-03-02(H) was revised 10/10/07 to link to the recent issuance of OFM Transmittal No. 304 rescinding the travel community's ability to procure internet airfares when applying the HHS 40% savings rule.

\*\*\*\*\* NIH Manual 1500-03-02 Section I, number 5 was added 1/2/2018.

\*\*\*\*\* NIH Manual 1500-03-02, Section I, 2, f was updated and g was added 3/29/2018.

\*\*\*\*\* NIH Manual 1500-03-02, Section K, 2 was updated to reflect HHS Travel Manual guidance regarding extra fare train service on 4/11/2019.\

\*\*\*\*\* NIH Manual 1500-03-02, Section I, 2, f was updated on 7/3/2019.

## **2. Filing Instructions:**

**Remove:** NIH Manual 1500 Chapter 3 dated 8/20/99

**Insert:** NIH Manual 1500 Chapter 3 dated 6/7/04

**PLEASE NOTE:** For information on:

- Content of this chapter, contact the Office of Financial Management/Division of Policy and Quality on 301-496-4379 or 301-402-8831.
- NIH Policy Manual, contact the Office of Management Assessment, OM on 301-496-4606.
- On-line information, enter this URL: <https://policymanual.nih.gov/1500>

## **1500-03-00. Transportation**

The NIH will authorize the following methods of transportation utilized during official business travel on behalf of the Operating Division's Institutes, Centers (IC) and other components:

1. Common carrier transportation (e.g., air, train, boat, ship or local transit systems);
2. Government vehicle (cars, vans, light trucks);
3. Privately owned Vehicles (POV); or
4. Special conveyance (e.g., taxi, or commercial automobile)

## **1500-03-01. Selecting Method of Transportation**

### **A. General**

Travel on official business shall be by the method of transportation that will result in the greatest advantage to the Government, cost and other factors considered. In selecting a particular method of transportation to be used, consideration shall be given to energy

conservation and to the total cost to the Government, including costs of per diem, overtime, lost work-time, and actual transportation costs. Additional factors to be considered are the total distance of travel, the number of points visited, and the number of travelers. As stated in 5 U.S.C. 5733, "travel of an employee shall be by the most expeditious means of transportation practicable and shall be commensurate with the nature and purpose of the duties of the employee requiring such travel."

## **B. Presumption as to most advantageous method of transportation**

Travel by common carrier (air, rail, or bus) generally results in the most efficient use of energy resources and in the least costly and most expeditious performance of travel. Therefore, this method shall be used whenever it is reasonably available. Other methods of transportation may be authorized as advantageous only when the use of common carrier transportation would seriously interfere with the performance of official business or impose an undue hardship upon the traveler, or when the total cost by common carrier would exceed the cost by some other method of transportation. The determination that another method of transportation would be more advantageous to the Government than common carrier transportation shall not be made on the basis of personal preference or minor inconvenience to the traveler resulting from common carrier scheduling.

## **C. Use of a privately owned conveyance instead of a common carrier**

When an employee uses a privately owned conveyance as a matter of personal preference instead of common carrier transportation, payment for the travel shall be made on the basis of the actual travel performed, computed at the mileage rate prescribed in 41 C.F.R. 301-10.303 plus the per diem reimbursement allowable for the actual travel. The total allowable shall be limited to the total constructive cost of appropriate common carrier transportation including constructive per diem by that method of transportation.

Constructive cost of transportation and per diem by common carrier shall be determined under the following rules:

### **1. *Mode of travel to be used for comparison.***

- a. Airplane. The mileage payment shall not exceed the constructive cost of coach accommodations (or tourist or economy accommodations if a carrier uses this term instead of "coach") on airplanes when this service is available. If it is not available, the comparison will be made with standard class accommodations if provided; otherwise, with premium-class accommodations. For the purpose of this provision, a class of service is considered to be provided by a carrier when it is scheduled on flights serving origin and destination points, regardless of whether space would have been available had the traveler used air transportation for the official travel.
- b. Train. When none of the accommodations above are provided by an air carrier, the mileage payment shall be limited to the constructive cost of first-class rail transportation or coach accommodations when the elapsed time of the rail

journey is 4 hours or less.

c. Bus. When neither air nor rail accommodations are provided, the mileage payment shall be limited to the constructive cost of bus transportation.

2. ***Transportation costs to be considered in addition to fares.*** In determining the constructive common carrier cost, there shall also be included the usual transportation costs to and from the common carrier terminals. In addition, the cost of excess baggage shall be included when it would have been allowed had the traveler used the carrier upon which the constructive transportation costs are determined, provided the traveler certifies as to the weight of the baggage or presents other acceptable evidence of its weight.

3. ***Per diem allowance.*** The constructive per diem shall be the amount that would have been allowable if the traveler had used the carrier upon which the constructive transportation costs are determined.

4. ***Use of actual and reasonable schedules.*** In making the foregoing constructive cost comparisons of transportation, scheduled departure and arrivals of planes, trains, and buses at unreasonable hours shall be disregarded ("unreasonable hours" means those which would unduly inconvenience the traveler or adversely affect his or her safety). For audit purposes, NIH policy is that scheduled departure or arrival of planes, trains, and buses after 12:00 midnight or before 6:00 a.m. shall be considered "unreasonable hours."

## **1500-03-02. Procurement of Common Carrier Transportation**

### **A. General**

Passenger services on common carriers must be procured through the use of a U.S. Government Travel Account (GTA), a.k.a. Central Billed Account. Use of a Government-issued travel credit card, a.k.a. Individual Billed Account for passenger services may be authorized under emergency circumstances (See "B(3) below). Discount fares are considered to be advantageous to the Government, and when the accompanying service will fulfill the mission requirements, they should be used to the maximum extent possible. This includes contract fares and, with justification on an exception basis, non-contract air, train and bus fares. All common carrier transportation tickets must be procured through the Travel Management Center (TMC) in place at the NIH (See exceptions to this rule in NIH Manual Chapter 02-01). The obligation will be posted to the IC appropriation when a GTA is used as the payment vehicle. When a Government-issued credit card is used to pay for the tickets, the employee will be billed directly and later reimbursed upon submission of his or her travel voucher at the conclusion of the trip. In this case, the traveler must be authorized for Use of Cash in Excess of \$100 in accordance with NIH Manual 1130, Travel No. 12 (see "B" below).

## B. Cash Payments for Common Carrier Transportation Tickets

The use of cash to procure passenger transportation services may be authorized only under the conditions specified below. Under this directive, cash purchases are considered as currency, personal checks, money orders or personal credit cards. (41 C.F.R. 101-41.203-2 and FTR 301-51.101).

1. ***When cost of transportation is \$10 or less.*** Travelers shall use cash to procure all passenger transportation services costing \$10 or less, excluding Federal transportation tax, and to pay excess baggage charges costing \$15 or less for each leg of a trip, unless special circumstances justify the use of a GTA.
2. ***When cost of transportation is over \$10 but does not exceed \$100.***
3. ***When cost of transportation is in excess of \$100.*** Under emergency or non-emergency circumstances when the use of a GTA or a Government-issued credit card is not possible, travelers may be approved for use of cash to exceed the \$100 limit. NIH approval authority for this exception can be referenced in NIH Manual Issuance 1130 Delegations of Authority, [Travel #12](#).

a. In emergency circumstances when the use of a GTA is not possible, an employee may be authorized for use of the Government-issued credit card to procure an airfare ticket in excess of \$100.

b. In extremely unusual non-emergency circumstances when the use of a GTA is not possible, an employee may be authorized for use of their Government-issued credit card to procure an airfare ticket in excess of \$100. Example: Travel is to a foreign country where there is no contract carrier city pair fare available and the lowest cost non-contract carrier fare encompasses a combined air and land package. In this scenario, the TMC would not be able to procure a ticket that includes lodging as part of the ticket cost. Thus, the employee may use their Government-issued credit card to purchase the ticket directly w/ the airline or via another travel agent.

4. ***Addendum.*** This policy excludes members of the uniformed services (including the U.S. Public Health Service (PHS)). However, members of the PHS Commissioned Corps are bound by the same Government contract carrier regulations that govern Civilian employee travelers.

**NOTE:** If a new employee or invitational traveler, who is unaware of proper procedures, makes an unauthorized **cash** purchase of passenger services, the appropriate delegated official may make a **one-time exception** and reimburse the traveler for the full cost of the transportation.

## C. Unused Common Carrier Tickets

It is the traveler's responsibility to ensure that common carrier tickets which have been issued in their name for official travel be redeemed as soon as possible.

1. **Prompt return of issued paper tickets.** Paper tickets issued through the NIH Travel Management Center and not used, either entirely or in part, must be returned to the TMC promptly. **They may not be held pending issuance of a voucher.**
2. **Unused electronic tickets.** Employees must notify the TMC immediately if an electronic (E-ticket) reservation was issued and must be canceled. Carriers have termination dating on many types of tickets, and the Government must be able to reclaim its funds. Depending upon the type of ticket issued (e.g., Government contract, restrictive, and other types), failure to act promptly may result in a liability to the traveler in the form of a specific penalty amount. If an employee has any questions concerning this requirement, the employee should contact the appropriate administrative office.
3. **Unused portions of tickets.** Use of accommodations of lesser value than those stated on the original tickets must also be promptly reported. These instances will include nonuse of return portions of tickets, first-class ticket (air or rail) due to only coach class seating being available, and the need to return to the official duty station prior to completion of the temporary duty assignment.
4. **Forms.** All forms for claiming reimbursement of tickets are handled by the TMC. Timely reporting of the changes or canceling of tickets is the sole responsibility of the traveler.

## D. Routing of Travel

The Federal Travel Regulation cited below state the rules concerning travel for official business by direct or usually traveled routes vs. indirect routes for personal travel convenience or preference.

1. **Usually traveled route.** All travel shall be by a usually traveled route. Travel by other routes may be allowed when the official necessity is satisfactorily established. When a person for his or her own convenience, travels by an indirect route or interrupts travel by a direct route, the extra expense shall be borne by the traveler.
2. **Expense reimbursement.** Reimbursement for expenses shall be based only on the same charges as would have been incurred by a usually traveled route. (See FTR 301-10.8.)

## E. Guidelines for Air Travel

NIH employees shall observe the following guidelines:

1. **Availability.** When available, contract city-pair fares must be used,
2. **Class.** Coach class fares must be used, unless first-class or premium other than first-class service is specifically authorized,
3. **Flag Carriers.** U.S. flag air carrier service must be used, unless use of foreign air carrier service is specifically authorized, and
4. **Timeliness.** Ticket requests shall be made at least one week in advance of the trip departure date, unless an emergency situation exists.

## **F. Government Contract Air Service - City Pairs**

1. **"Contract air service".** Contract air service refers to contracts between the General Services Administration (GSA) and participating airlines. These airlines have entered into a contractual agreement with the Government to provide "reduced fare, coach class" passenger transportation tickets between "pairs of designated cities" (e.g., Washington & New York, Washington & Los Angeles, and other identified pairs) for a specific period of time. In return, the GSA has mandated in the FTR 301-10.107 that Government travelers must use these contract air tickets whenever possible. Therefore, contract fares are "first choice" when making reservations through the TMC. (**NOTE: City Pair fares cannot be authorized for travelers engaging in NETG travel - See NIH Manual Issuance 1500 [Chapter 02](#)**)
2. **Advantages of Government contract airfares.**
  - a. Government issued contract fare tickets are: unrestricted, penalty-free, completely changeable, and average more than 70% cheaper than other unrestricted fares.
  - b. Government issued contract fare tickets may be used only for Official (not personal) Travel.
  - c. Contract fares apply only between the cities named and are not applicable to or from intermediate points. When there is not a direct contract fare between the traveler's duty points, contract fares should be used in conjunction with other published fares and, when applicable, in conjunction with other contract fares.

## **G. Exceptions to the Use of Government Contract Carriers**

One or more of the following travel conditions, which must be certified on the travel order or travel voucher by an agency-approved authorizing official, must apply if a carrier other than the contract carrier is used for travel with a contract route (See NIH Manual Issuance 1130 - Delegations of Authority, [Travel # 14](#)).

1. **Schedule.** Seating space or the scheduled flight is not available in time to accomplish the purpose of travel, or use of contract service would require the traveler to incur

unnecessary overnight lodging costs which would increase the total cost of the trip; or

2. **Hours.** The contract's flight schedule is inconsistent with explicit policies of NIH with regard to scheduled travel during normal working hours; or
3. **Use of a Lower Cost Non-Contract Carrier Fare.** A non-contract carrier offers a lower fare available to the general public, the use of which will result in a lower total trip cost to the Government. This determination should be based on a cost comparison to include the combined cost of transportation, lodging, meals, and related expenses.

**NOTE 1:** It is HHS policy that travel delegated officials may not authorize use of non-contract carrier service under this exception unless the cost savings on the non-contract fare will be at least 40% of the total cost of the contract carrier fare. Example: Contract carrier fare is \$800 -- The cost of the non-contract carrier fare must be \$480 or less in order to generate a minimum 40% savings, i.e., \$320.

**NOTE 2:** This exception does not apply if a contract carrier offers a comparable fare and has seats available at that fare, or, if the lower fare offered by a non-contract carrier is restricted to Government and military travelers on official business and may only be purchased with a GTR, contract-issued charge card or centrally billed account, e.g., YDG, MDG, ODG, VDG, and similar fares.

4. **Other carriers.** Rail service is available and this service is cost effective and consistent with mission requirements.
5. **Smoking.** When smoking is permitted on the contract flight, and the nonsmoking section of the aircraft for the contract flight is not acceptable to the traveler.
6. **Use of a Lower Cost Contract Carrier Fare.** If the contract carrier offers a restricted fare that is lower in cost than the contract carrier city-pair fare, and if the traveler qualifies for the lower cost fare and space is available at the time of booking.
7. **Group Travel.** Any group of 10 or more passengers traveling together on the same day, on the same flight, for the same mission, requiring group integrity and identified as a group by the travel management system upon booking, is not mandated to use the Government's contract city-pair airfares. In this regard, use of non-contract carrier air transportation service should be practical and cost effective to the government. In this scenario, the HHS policy of a minimal 40% savings is not applicable.

**NOTE:** When the use of non-contract carrier airline service is authorized, in accordance with any of the above scenarios, or in accordance with Section (H) below, "Non-Contract Airfare", must be selected on the NBS Other Authorizations Screen and the specific justification must be documented under the Remarks block of the Travel Authorization, or under the Comments block of the Travel Voucher, if post approval is applicable.



## H. Procurement of Internet Airfare Tickets

Authorization of the use of Internet airfare tickets, procured either on or over the Internet, or through the Travel Management Center (TMC), for the purpose of cost savings, is prohibited. This includes the Internet web site address of any airline. Internet airfare tickets may be purchased ONLY under the following two scenarios:

1. In an emergency situation, an employee may use his/her personal credit card to purchase an airfare ticket on or over the Internet only if he/she is unable to reach a TMC agent, and purchasing an airfare directly from an airline is not feasible; and
2. For a single combined trip, i.e., personal business and official business, an employee may use his/her personal credit card to purchase an airfare ticket on or over the Internet, if reimbursement of the transportation ticket expenses on the Travel Voucher is to be transacted against the personal ticket.

**NOTE:** For additional information, see OFM Transmittal No. 304 at the following web site address:

<https://ofm.od.nih.gov/Pages/Home.aspx>

## I. Policy on Higher-Than-Coach-Class Fare Airline Accommodations

1. **Use of First-Class Air Accommodations** - is prohibited, except as specifically authorized by the appropriate official (See NIH Manual Issuance 1130 - Delegations of Authority, [Travel #15](#) Premium Class Travel) in writing, under the following circumstances:
  - a. **Space/Scheduling.** Space is not available in less-than-premium-class accommodations on any scheduled flights in time to accomplish the purpose of the official travel, which is so urgent that it cannot be postponed.
  - b. **Disability/Special needs.** Premium-class accommodations are necessary because the employee has a disability or is otherwise physically impaired so that other accommodations cannot be used, and the condition is substantiated by a medical certificate and/or accompanying NIH form. Additionally, higher than coach fare accommodations may be considered with properly approved justification for employees with "special needs." Examples would be a traveler's physical characteristics; including, but not limited to, weight or height. **NOTE:** It is NIH policy that first-class accommodations may only be authorized if there is no business-class seating available on the airline. (For additional information, see NIH Manual [1500-13](#).)
  - c. **Security.** Premium-class accommodations are required for security purposes or because exceptional circumstances, as determined by the IC Director or Deputy Director, make their use essential to the successful performance of the NIH mission.
  - d. Agency mission requires such use.

2. **Use of Premium-Class-Other Than First-Class (e.g., Business and Similar Class)** - is prohibited except as specifically authorized (See paragraph H (1) above) in writing, under the following circumstances:
- a. **Space/Scheduling** as defined above.
  - b. **Disability/Special needs** as defined above.
  - c. **Security** as defined above.
  - d. **Inadequate sanitation.** Less-than-premium-class accommodations on foreign carriers do not provide adequate sanitation or health standards.
  - e. **Nonfederal sponsor.** The use of premium-class air accommodations may be authorized when the employee's transportation is paid in full through the agency's acceptance of payment from a nonfederal source. (See FTR 304, HHS Travel Manual Chapter 6, and NIH Manual 1500 Chapter 8.)
  - f. **Travel in Excess of 14 Hours.** FTR §301-10.125 permits a traveler to fly via other than coach class when all of the following conditions are met: (a) where the origin and/or destination is outside the CONUS; (b) the scheduled actual flying time is in excess of 14 hours; and (c) a rest stop cannot be taken because of the urgency of the nature of the mission (not because the employee is delayed for personal reasons). A rest stop/period is a stopover point, during travel, of up to 24 hours, midway in the journey (as near to it as the schedule permits) or at the destination. If a rest stop is provided, then a traveler is precluded from flying in other than coach class. As noted in Section 6.4.3 of the HHS Travel Manual, the rationale supporting the urgency of the mission often is satisfied on the outboard flight whereas the return flight will not generally be subject to identifiable mission urgency. In these instances, the traveler will return home on a coach class ticket as a rest stop will be available upon arrival back home.
  - g. **In-kind Sponsored Travel Not Meeting the 14-Hour Rule.** The acceptance of in-kind sponsored business class tickets for flights whose duration are not in excess of 14 hours requires approval by NIH's Senior Travel Official (STO) using NIH 2926-1 (Appendix 11). Such acceptance requires all that similarly situated non-federal participants be offered the same accommodations. Accepted sponsor flights exceeding 14 hours *do not* require approval by the STO. However, these flights do require completion of Appendix 8 - Authorization For Use Of Premium-Class other than First-Class(PCotFC) Travel Accommodations with approval residing within the IC.
3. **Written authorization.** In the absence of specific advance written authorization, employees shall be responsible for all additional costs resulting from the use of premium-class air accommodations.
4. **Business-class.** In all cases, the NIH will not approve first-class accommodations if business-class is less costly and will adequately provide for the travelers specified needs.

5. **"Coach Elite," "Coach Plus," "Preferred Coach" or some other identifier.** The HHS Travel Manual in Section 4.1.6.7 provides guidance on seating upgrade programs are often called "Coach Elite," "Coach Plus," "Preferred Coach" or some other identifier. Under these airline programs, a passenger may obtain a more desirable seat choice within the coach-class cabin for a fee. These coach upgrade options are not considered a new or higher class of accommodation since the seating is still in the coach cabin.

However, 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. HHS/NIH will not reimburse expenses related to seating upgrades in coach class, for personal preference.

There are two exceptions allowing for these upgrades:

- a. If travelers are flying on a City Pair Fare and the only seat(s) available requires the purchase of a seating upgrade in coach class, the expense may be reimbursed if allowed by the AO with appropriate justification.
- b. If a traveler has a medical waiver on file which allows this upgrade program to first be considered as a cost-saving measure before booking business class.

**NOTE: For additional information, see FTR 301-10.123 and FTR 301-10.124, and NIH Manual 1500 [Chapter 13](#)**)

## **J. Attendant Travel**

Under the Public Health Service (PHS) Act, the Comptroller General has ruled that the payment of travel expenses of an escort/attendant to accompany a handicapped employee may be authorized.

1. ***Conditions of payment for attendants.*** Payment of necessary travel expenses may be authorized for an escort/attendant when the authorizing official has determined that the handicapped employee:
  - a. Is incapable of traveling unaccompanied, and
  - b. Must perform official travel.
2. ***Documentation.*** The documentation for escort/attendant travel must be maintained in the IC's official travel files.

**(NOTE: For further information, See NIH Manual Issuance 1130 Delegations of Authority, [Travel #13](#), HHS Travel Manual Chapter 1-50, and NIH Manual 1500, "Travel of Patients/Subjects and Escorts/Attendants," Chapter 14, *pending release*).**

## **K. Train Accommodations**

It is the general policy of the Government that less-than-premium-class accommodations shall be used for all modes of passenger transportation. Common carrier accommodations shall be as specifically stated in FTR 301-10 and shall apply to both domestic and international travel of civilian employees while on official business for the Government. The use of discount fares offered to the Government for rail (FTR 301-10.160-164) or bus service (FTR 301-10.190) between specified city pairs is considered to be advantageous and need not be justified on the basis of cost comparison with contract air service when traveling between city pairs. Schedules and special Government discount fares for selected high-frequency AMTRAK rail routes are available through the NIH TMC.

1. ***Use of First Class accommodations.*** Such accommodations may be authorized or approved only under the following conditions:
  - a. No coach class accommodations are reasonably available. “Reasonably available” means available and scheduled to leave within 24 hours of the employee’s proposed departure time, or scheduled to arrive within 24 hours of the employee’s proposed arrival time;
  - b. When such use is necessary to accommodate a disability or other special need;
  - c. When there are exceptional security circumstances; or
  - d. When coach class accommodations do not provide adequate sanitation or health standards.

For additional information, see FTR 301-10.162.

2. ***Extra-fare trains.*** The Acela is an extra fare train service, as defined by the FTR, and its use requires prior AO authorization. For travel by train, extra fare service may be authorized if it is more advantageous to the Government or is required for security reasons (see FTR 301-10.163 and 301-10.164). Failure to receive prior authorization will result in not being reimbursed for the related expenses. Per HHS policy, Senior Travel Official (STO) approval for Acela Business Class is not required.

## **1500-03-03. Mandatory Use of United States Flag Air Carriers**

### **A. General**

The Fly America Act, 49 U.S.C. 40118, as implemented by the Comptroller General's guidelines, Decision B-138942, dated March 31, 1981, requires Federal employees and their dependents, consultants, contractors, grantees and others performing services for the Federal Government to travel by U.S. Flag Air Carriers wherever possible when traveling between the United States and a point outside the United States, or between two points both of which are outside the United States (FTR 301-10.135).

## B. Definitions

The following terms are applicable when defining policies for the use of U.S. flag carriers:

1. ***The Fly America Act***: Provisions enacted by Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118).

**NOTE:** In line with FTR 304, the requirements of the Fly America Act do not apply when payment for transportation costs is from a nonfederal source, i.e., sponsored travel, either on an In Kind or In Cash basis.

2. ***United States***: The 50 States, the District of Columbia, and the territories and possessions of the United States.
3. ***United States Flag Air Carrier***: An air carrier holding a certificate under Section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 41102), and which service is authorized either by the carrier's certificate or by exemption or regulation. U.S. flag air carrier service also includes service provided under a code share agreement with a foreign air carrier in accordance with Title 14 Code of Federal Regulations when the ticket, or documentation for an electronic ticket, identifies the U.S. flag air carrier's designator code and flight number. Foreign air carriers operating under permits are excluded.

## C. NIH Policy for Use of U.S. Flag Carriers

The following guidelines will apply when employees are traveling for the Government to or from any of the possessions of the United States or to or from any foreign country overseas. **All travelers whose travel is paid from FEDERAL FUNDS must use U. S. flag air carriers unless these carriers are considered unavailable**, or unless use of a foreign air carrier is deemed a matter of necessity. Necessity shall be limited to one of the following circumstances:

1. Use of a U.S. flag air carrier otherwise available cannot provide the air transportation needed, or
2. Use of U.S. flag air carrier service **will not** accomplish the Agency's mission.
3. Necessity may also include:
  - a. When an agency determines that use of a foreign air carrier is necessary for medical reasons, including use of foreign air carrier service to reduce the number of connections and possible delays in the transportation of persons in need of medical treatment; or
  - b. When use of a foreign air carrier is required to avoid an unreasonable risk to the traveler's safety (e.g, terrorist threats). Written approval must accompany this exception with Federal Aviation Administration (FAA) and Department of State recognition of a threat.
  - c. When the traveler cannot purchase a ticket in the authorized class of service on a U.S. flag air carrier, and a seat is available in that class of service on a foreign

carrier.

## **D. Availability of U.S. Flag Air Carrier Service**

U.S. flag air carrier service is considered to be available even though:

1. Comparable or a different kind of service can be provided at less cost by a foreign air carrier;
2. Foreign air carrier service is preferred by or is more convenient for the Agency or the traveler; or
3. Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of those monies.

## **E. Scheduling Principles**

In determining availability of U.S. flag air carrier service, the following scheduling principles should be followed unless their application results in the last or first leg of travel to and from the United States being performed by foreign air carrier:

1. U.S. flag air carrier service available at point of origin should be used to destination or, in the absence of direct or through service, to the farthest interchange point on a usually traveled route;
2. Where an origin or interchange point is not served by U.S. flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or
3. Where a U.S. flag air carrier involuntarily reroutes the traveler via a foreign carrier, the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

## **F. Travel Between the U.S. and Another Country**

Exceptions to the Fly America Act are as follows:

1. If a U.S. flag air carrier offers nonstop or direct service (no aircraft change) from your origin to your destination, you must use the U.S. flag air carrier service unless such use would extend your travel time, including delay at origin, by 24 hours or more.
2. If a U.S. flag air carrier does not offer nonstop or direct service (no aircraft change) between your origin and your destination, you must use a U.S. flag air carrier on every portion of the route where it provides service unless, when compared to using a foreign air carrier, such use would:

- a. Increase the number of aircraft changes you must make outside of the U.S. by 2 or more; or
- b. Extend your travel time by at least 6 hours or more; or
- c. Require a connecting time of 4 hours or more at an overseas interchange point .

## **G. Travel Between Two Points Outside the United States**

For travel between two points outside the United States, U.S. flag air carrier service will not be considered to be reasonably available:

1. If travel by foreign air carrier would eliminate two or more aircraft changes en route; or
2. Would extend travel time by 6 hours or more; or
3. Would require a connecting time of 4 hours or more at an overseas interchange point.

## **H. Short Distance Travel**

For all short distance travel, regardless of origin and destination, U.S. flag air carrier service will not be considered available when the elapsed travel time on a scheduled flight from origin to destination airport by foreign air carrier is 3 hours or less, and service by U.S. flag air carrier would involve twice the travel time.

## **1500-03-04. Procedures for Requesting Transportation by Foreign Air Carrier**

### **A. Authorization or Approval**

Expenditures for commercial foreign air transportation on foreign air carriers will be disallowed unless there is attached to the travel order a justification statement (see "C" below) adequately explaining why service by U.S. flag air carrier is not available or why it was necessary to use a foreign air carrier under the particular conditions of a specific official trip (See NIH Manual Issuance 1130 - Delegations of Authority, [Travel #14](#)).

### **B. Air Transport Agreements**

Nothing in the guidelines contained in this policy shall preclude, and no penalty shall attend, the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 40101 and provide reciprocal rights and benefits.

## C. Justification Statement

All requests for approval to use a foreign flag carrier shall be submitted prior to finalizing reservations. NIH Form 2684, "Approval for Use of Foreign Flag Carrier" must be prepared by the traveler justifying the use of a foreign flag air carrier for any part of foreign travel. The traveler and IC authorizing official are required to sign this form and the the documentation is to be retained in the IC's official travel files. A copy of the NIH Form 2684 can be accessed at the following web site address:

<https://oma.od.nih.gov/Lists/DMSFormsList/Attachments/246/NH2684.PDF>.

## D. Employee Liability

An employee *will not be reimbursed* for any transportation cost for which the employee improperly used foreign air carrier service.

1. If the traveler is authorized to use U.S. flag carrier service for the entire trip, and uses a foreign carrier or any part or for the entire trip (e.g., when not permitted under this policy), the cost of transportation on the foreign carrier will not be paid.
2. If the traveler is authorized to use U.S. flag air carrier service for part of the trip and foreign air carrier service for another part of the trip, and the traveler improperly uses a foreign air carrier (i.e., when neither authorized to do so nor otherwise permitted under this policy), the cost of transportation will be payable only for the authorized portion of the service.

## E. Travel Authorizing Officials Oversight

All travel authorizing officials, particularly those who may authorize employees and/or invitees to travel on official business between two places outside the U.S., shall take the appropriate steps necessary to ensure that only U.S. flag air carriers are used whenever service by these carriers is available.

## 1500-03-05. Ground Transportation

### A. Local Transportation

Transportation by bus, streetcar, or local subway systems between places of business at an official station or a temporary duty station (TDY), and between places of lodging and place of business at a TDY is allowed as a transportation expense. The requirements concerning the use of taxicabs or shuttle services, e.g., limousine, between these places are as follows:

1. **Approval requirement.** For local travel authorization, taxicabs or shuttle services may be allowed if authorized or approved as advantageous to the Government. General guidance for such use is contained in FTR 301-10.420.



2. **Tips.** In addition to reimbursement of taxi and shuttle service fare, the employee will be allowed reimbursement of tips not to exceed 15 percent of the charge. If there is no charge for service, reimbursement for a tip is limited to \$2.

## **B. Use of Taxicabs or Shuttle Services in Official Business Travel**

1. **To, from, and between places of work.** Transportation by taxicab or shuttle service, between places of business at an official station or a temporary duty station and between places of lodging and places of business at a temporary duty station is allowed as a transportation expense. However, employees must be sensitive to the perception generated by their travel to conferences/meetings in the local travel area utilizing e.g., limousine services. This mode of travel should be the last option available.
2. **To places where meals are obtained.** Where the nature and location of the work at a temporary duty station are such that suitable meals cannot be obtained there, the expense of daily travel required to obtain meals at the nearest available place may be approved as necessary transportation not incidental to subsistence. A statement of the necessity for the daily travel shall accompany the travel voucher.
3. **To and from carrier terminals.**
  - a. Reimbursement shall be allowed for the usual taxicab and shuttle service, e.g., airport limousine fares, plus tip, between a common carrier or other terminal and either the employee's home or business at the official duty station or place of business or lodging at a temporary duty point, or between the airport and airport limousine terminal. However, available courtesy transportation service furnished by hotel and motels shall be used by employees to the maximum extent possible as a first source of transportation between place of lodging at the temporary duty point and common carrier terminal. Reimbursement shall be allowed for tips when courtesy transportation service is used.
  - b. An IC shall, when appropriate, restrict the use of taxicabs and shuttle services under paragraph 3 (a) above or place a monetary limit on the amount of reimbursement when:
    - Suitable Government or common carrier transportation service is available for all or part of the distance involved; or
    - Courtesy transportation service is provided by hotels and motels between the place of lodging at the temporary duty site and the common carrier terminal.
4. **Between residence and office on day travel is performed.** Reimbursement may be authorized or approved for the usual taxicab or shuttle service fares, plus tip, from the employee's home to the employee's office on the day the employee departs from the office on an official trip requiring at least one night's lodging; and from the office to

that employee's home on the day the employee returns to the office from the trip, in addition to taxi fares for travel between office and carrier terminal.

5. ***Between residence and office in cases of necessity.*** Reimbursement for the usual taxicab fares paid by an employee for travel between office and home may be authorized or approved incident to the conduct of official business at an employee's designated post of duty 1) when the employee is dependent on public transportation for this travel incident to officially ordered work outside of regular working hours and 2) when the travel is during hours of infrequently scheduled public transportation or darkness. Agencies are expected to establish stringent administrative controls at sufficiently high levels that ensure that reimbursements are authorized only when justifiable and when all circumstances set forth in this paragraph are met.

### **C. Privately Owned Vehicle (POV) Used in Place of a Taxicab**

If deemed more advantageous to the Government, travelers may use their privately owned vehicles under the same ground transportation rules used for hire of a taxicab or shuttle service as set forth in the above paragraphs (1) through (5) as well as under the following conditions:

1. ***Round-trip Mileage Allowance.*** Reimbursement is payable for round-trip mileage incurred when the traveler is dropped off and picked up at terminals on the first and last days of an official travel.
2. ***Passengers.*** If two or more employees are sharing a ride, mileage between residences or places of business of the employees is reimbursable.
3. ***Parking.*** Parking fees at a terminal are reimbursable expenses, however, while premium parking lots at the airport may be convenient, they may also be costly. Therefore, agencies may restrict full reimbursement for this expense if more economical lots were available, and the combined cost of mileage and parking substantially exceeds what taxicabs would have cost if used for the same purposes.

## **1500-03-06. Rental Cars**

### **A. Authorization and Approval -- Procedures**

Travelers may rent a commercial vehicle only when other methods of transportation will not be more advantageous to the Government. Use of a rental vehicle must be approved on the travel authorization (order). The traveler should not rent a vehicle when more economical means of transportation are available (taxis, buses, and similar means). When possible, the traveler shall fill the gas tank of rented vehicles prior to returning the vehicle, to preclude added expense charged by the rental car company. Gas for the rental car is a reimbursable expense. In addition, the following procedures are to be followed when authorizing and approving the use of a rental car for Temporary Duty Travel:

1. All authorizations for use of a rental car must include a justification in the Remarks block of the Travel Authorization. This should include e.g., a logistical, cost, or other reason for doing so. If cost reasons are applied, the justification should also provide the availability and/or comparative costs of local shuttle services, taxis, buses, etc., round trip from the airport to the traveler's hotel, and round trip from the traveler's hotel to the official business site.
2. All Travel Voucher claims must include a "complete" receipt of the rental car expenses. By complete, a delineated listing of the services provided inclusive of the dates, mileage driven, etc. Claims submitted with a receipt reflective of partial information may result in payment being denied.
3. Post-trip approval may occur **ONLY** when the rental was necessitated by emergency circumstances. The circumstances should be properly documented on the Travel Voucher. Such claims submitted that were not due to emergency circumstances may result in payment being denied.

## **B. Damage Waiver or Insurance Costs**

All rental car rates for official travel authorized by the Military Traffic Management Command (MTMC) for use by Government employees, civilian and military, are required to include **full loss/collision damage waiver (LDW/CDW)**. The cost of purchasing extra collision insurance on a rental car is not reimbursable within the U.S. **Extra personal liability insurance is not reimbursable, regardless of where the travel is performed.** Basic liability is included in the rental charges for official travel.

1. ***Government-contracted rental vehicles.*** Agencies are authorized to pay for damage to the rented vehicle up to the deductible amount contained in the rental contract if the damage occurs while the vehicle is used for official business.
2. ***Non-contract rental vehicles used in foreign countries.*** Agencies may pay or reimburse the employee for the cost of collision damage waiver or collision damage insurance when the vehicle is rented or leased for official travel in foreign areas (Government-contracted rental vehicle unavailable) and rental or leasing agency requirements, foreign law, or legal procedures which could cause extreme difficulty to Government employees involved in an accident, make this insurance necessary or advisable (FTR 301-10.451(b)).

## **C. Hire from Another Employee or Member of an Employee's Family**

Charges for the hire of a conveyance of another Government employee, a member of the traveler's family, or a member of the family of another Government employee shall not be allowed in the absence of a satisfactory justification that the conveyance was not procured because of that personal or official relationship and that the member of the family furnishing the vehicle was not dependent upon the traveler for support. The material facts shall be reported in the account.

## **D. Persons Traveling Together**

When two or more persons travel together by means of a rented vehicle or special conveyance, that fact, together with the name of each traveler and the name of each traveler's employing agency, must be stated on the travel voucher.

## **E. Reimbursement Claims**

Only the driver (traveler whose name was used to make the reservation) of a rental vehicle may claim the expense reimbursement on the travel voucher.

## **1500-03-07. Privately Owned Conveyances**

### **A. Mileage Payments**

When employees and others rendering service to the Government use privately owned motor vehicles or airplanes in the conduct of official business within or outside their permanent duty station and this use is authorized or approved as advantageous to the Government or as an authorized or approved exercise of the employee's preference, payment shall be made on a mileage basis unless payment on an actual expense basis is specifically authorized by law.

### **B. Distance Measurements**

1. **Highway mileage guides.** When transportation is authorized or approved by privately owned motorcycles or automobiles, distances between points traveled shall be as shown in standard highway mileage guides such as the Rand McNally Atlas or available Internet MAP services. Actual miles driven as determined from odometer readings are also acceptable. (Actual odometer readings need not be shown on the travel voucher.) Any substantial deviations from distances shown in the standard highway mileage guides shall be explained. The mileage rate as authorized or approved may be paid from the point the employee or other person rendering service to the Government begins the journey.
2. **Air mileage.** The air mileage between the origin and destination airports, as determined from airways charts issued by the National Oceanic and Atmospheric Administration, Department of Commerce, shall be reported on the reimbursement voucher and shall be used in computing payment for the use of a privately owned airplane. If a detour was necessary because of adverse weather, mechanical difficulty, or other unusual conditions, the additional air mileage may be included in the mileage reported on the reimbursement voucher and, if included, it must be explained. When an official requirement for deviation from direct route travel is such that airway mileage charts are not adequate to determine mileage, the formula of flight time multiplied by cruising speed of the airplane may be used to determine mileage.

3. **Other fees.** Other allowable costs such as parking fees, ferry fees, bridge, road, and tunnel fees; and airplane parking, landing and tie-down fees shall be allowed in addition to the mileage allowance unless the travel order or other administrative determinations restrict this allowance.

## **1500-03-08. When POV is Advantageous to the Government**

### **A. Authorized Mileage Reimbursement Rates**

1. **Government rates.** When the use of a privately owned conveyance is authorized or approved as advantageous to the Government for the performance of official travel, either within or outside the United States, reimbursement to the traveler shall be at the mileage rates prescribed in the current edition of FTR 301-10.300 et seq. As of the Release Date of this Chapter, the mileage rates are:
  - a. Privately owned automobile: 37.5 cents per mile
  - b. Privately owned airplane: 99.5 cents per mile
  - c. Privately owned motorcycle: 28.5 cents per mile

**NOTE:** The above rates are subject to change.

2. **Change of duty station:** When permanent changes of duty station are involved, the above mileage rates do not apply. Regulations for this situation appear in FTR 302-4-300.

### **B. Advantageous Usage**

When the POV is authorized as advantageous, the costs of the following transportation may be reimbursed:

1. Round-trip instead of taxicab between residence and carrier terminals on days of travel.
2. Round-trip instead of taxicab between residence and office on days of travel.
3. POV used to transport other employees between residence, office, and common carrier terminals. Names of transported passengers and their agencies must be stated on the voucher.
4. Parking when the POV is left at the terminal. (For additional explanation of these rules, See FTR 301-10.308).

### **C. Single Driver Claims**

Mileage shall be payable to only one of two or more employees who travel together on the same trip and in the same POV, but no deduction shall be made from the mileage regardless

of whether the other passengers helped defray the operating expenses.

#### **D. Use of POV When Government-Furnished Vehicle Available**

When a POV is used even though the employee was committed to using or had the availability of a Government-furnished automobile, the rate of reimbursement will be 27.0 cents per mile (FTR 301-10.310). This rate is subject to change.