Office of Sponsored Programs Procedure 40002, Fly America Act



.1
.1
.1
.2
.2
.4
.4
.4
.5
.5
•

1. Introduction

Responsible Officials:

Associate Vice President for Research and Innovation, Sponsored Programs

Effective Date: June 21, 2023

2. Scope

This procedure provides guidance to associates who will travel internationally and request reimbursement from federal or federal flow-through awards.

3. Procedure Statement

The Office of Sponsored Programs (OSP) functions as the steward of Virginia Tech's research portfolio and is responsible for ensuring that all research proposals and projects comply with university, federal, and sponsor regulations, policies, and procedures.

The university's adherence to federal regulations for international travel remains vital to prevent disallowance of these expenses. Principal investigators and department administrators have the primary responsibility to understand and comply with federal regulations described in this procedure.

4. Reason for the Procedure

The reason for this procedure is to inform the university community of the requirements of international travel when using federal funds. These guidelines are established to assure the

University is in compliance with the Fly America Act, Title 49 U.S.C. 40118 - Government-financed air transportation.

5. Definitions

Due to the specialized documentation within this procedure, definitions are contained within the applicable sections noted within this procedure.

6. Procedures

International Travel Expenditures

<u>Fly America Act</u> is a federal regulation that requires use of U.S. flag air carrier service (an airline owned by an American company) for travel that will be reimbursed from the federal government, regardless of the cost, convenience, or traveler's personal preference.

When scheduling international travel that is federally funded (direct or federal flow through), researchers must ensure that all flights are scheduled on U.S. flag air carriers or on foreign air carriers that codeshare with a U.S. flag carrier. (Codesharing means when two or more airlines "code" the same flight as if it were their own).

U.S. Flag Air Carriers

A U.S. flag air carrier is an air carrier that holds a certificate under 49 U.S.C. 41102 but does not include a foreign air carrier operating under a permit. For a flight to be in compliance with the Fly America Act, the code of a U.S. flag air carrier must be noted as part of the flight number on the airline ticket, boarding pass, or passenger receipt. Each airline has a two-letter alpha code, such as American Airlines (AA) or Southwest Airlines (WN). The U.S. Department of Transportation offers a <u>complete list of U.S. air carriers</u>.

Codesharing Agreement

Codeshare is an aviation business arrangement where two or more airlines share the same flight. For travel from the U.S., U.S. carriers purchase or have the right to sell a block of tickets on a foreign carrier.

To be compliant under the Fly America Act, the ticket, or the documentation of the ticket (also eticket) must be purchased with and identify the U.S. carrier's designator code and flight number rather than the foreign carrier.

Examples of Codesharing Tickets:

Compliant with Fly America: American Airlines (AA) 1234 operated by Qantas Airways (QF) 4321. *Not Compliant with Fly America:* QF 4321 operated by AA 1234

Exceptions to the Fly America Act

The biggest exception to the Fly America Act is the Open Skies Agreement.

Open Skies Agreement

Open Skies Agreement is a bilateral or multilateral air transport agreement between the U.S. Government and the government of a foreign country for which the Department of Transportation has determined that it meets the requirements of the Federal Aviation Administration (FAA).

There are over 100 Open Skies Agreements, but only four meet the Fly America Act:

- 1. <u>European Union</u>, including Iceland and Norway
- 2. Australia
- 3. Switzerland
- 4. Japan

Note: The United Kingdom is no longer part of the European Union (EU), so when flying to the UK, Open Skies exceptions cannot be used. Travelers must use a U.S. flag carrier to travel from the U.S. to the U.K. and not a U.K. airline (e.g., British Airways), unless they use a different Fly America Act exception. Travelers may continue to use an EU agreement for travel from the U.S. to the U.K. as long as the flight stops in the EU prior to arrival in the U.S. or the U.K.

If an award is funded by the **Department of Defense (DOD)** or by a department of the **U.S. Military**, travel must be on a U.S. flag air carrier and the <u>Open Skies Agreement is *not* in effect</u>.

Other Exceptions to the Fly America Act

- You are involuntarily rerouted.
- Medical or safety reasons
- Use of a U.S. carrier will unreasonably delay your travel time by 24 hours or more.
- A U.S. flag air carrier does not offer service on a particular leg of your trip; however, a U.S. carrier must be used on every portion of the route where it provides service unless, when compared to using a foreign air carrier, such use would:
 - Increase the number of aircraft changes outside the U.S. by two or more.
 - Extend travel time by six hours or more.
 - Require a connecting time of four hours or more outside of the U.S.
- For short distance travel, when the flight time from origin to destination is less than three hours and the use of a U.S. flag carrier doubles the time enroute.

Documentation Required for Exceptions to Fly America Act

For any travel that is federally funded and not on a U.S. air carrier, principal investigators and departments or institutes must complete the <u>Fly America Act Exception form</u> and attach it to the

Expense Reimbursement Request, travel authorization, or Pcard reconciliation along with all supporting documentation. It is the responsibility of PIs and departments or institutes to comply with the Fly America Act for federally funded travel.

7. References

US General Services Administration Fly America Act website

OSP Fly America Act Webpage

OSP procedure 30010 Sponsored Award Expenditure General Guidelines

Controller's Office Procedure 20335e: Air Transportation

Code of Federal Regulations Part 301-10 Transportation Expenses

Code of Federal Regulations Subpart 47.4 Air Transportation by U.S. Flag Carriers

NIH Grants Policy Statement regarding Fly America Act

U.S. State Department Fly America Act Waiver Checklist

Certified Air Carriers List

8. Contacts

- Director for Financial Compliance and Integrity Office of Sponsored Programs North End Center, Suite 4200
 300 Turner Street NW Blacksburg, VA 24061
 540-231-0950
- Associate Vice President for Research and Innovation, Sponsored Programs 540-231-5281

9. Roles and Responsibilities

- **Principal Investigators** have the primary responsibility to ensure that Fly America Act requirements are met for associates traveling internationally where the expenses are reimbursed by federal or federal flow-through awards. PIs and associates will complete the Fly America Exception Form when the exceptions are utilized.
- **Deans, Department Heads, and Organization Leaders** assure compliance with Fly America Act for international travel.

- **Department Administrators** serve in a support role to the PIs to comply with the Fly America Act. They remind PI to use U.S. Carriers when flying internationally when travel is paid by federal or federal flow-through awards and assist them in completion of the Fly America Exception form when the exceptions are utilized.
- **Office of Sponsored Programs** approves international travel on sponsored funds and notifies the PIs to comply with the Fly America Act.

10. Dissemination

This procedure may be posted on a Virginia Tech internet accessible site. No public restrictions are noted.

11. Approval and Revisions

Approved by the Associate Vice President for Research and Innovation, Sponsored Programs on June 21, 2023.

The official version of this information will only be maintained in an on-line web format. Any and all printed copies of this material are dated as of the print date. Please make certain to review the material online prior to placing reliance on a dated printed version.