CITY PAIR PROGRAM

PRE-SOLICITATION CONFERENCE

FOR AIR TRANSPORTATION SERVICES

Tuesday, February 5, 2008

LOCATION:

GSA/QMAC

2200 Crystal Drive, Room L1301

Arlington, VA
PROCEEDINGS

Time 11:03 a.m.

JERRY BRISTOW: Good morning, everyone, and welcome to the Pre-Solicitation Conference for fiscal year FY '09. My name is Jerry Bristow and I will be your facilitator for today's briefing on the City Pair Solicitation and I hope that each of you have received an agenda. It is my, it is my assignment to make sure that we keep on track and that we're on the proposed agenda and that we're on time.

This is the official start of the FY '09 procurement process, but before we get started, we need to go over some administrative matters.

For those in attendance today, please note that these proceedings are being electronically recorded and the minutes will be transcribed and placed on the City Pair Website as soon as they are transcribed.

If you have a question, we ask that you identify yourself by name along with the name of your company or Government agency or organization.
1 There are a number of people who were unable to attend and we've opened up the bridge teleconference line. We have some people on the phone now and we'll do some introductions here in a little bit.

6 We also have a roving microphone.

7 DENISE BANKS: No, we don't.

8 JERRY BRISTOW: I'll be roving it and we ask that everyone use this so that we can be heard and that your questions or discussions can be recorded.

12 Restrooms are located out the door to the left right down the hall. We have a new snack bar across the way as well if you needed some additional refreshments.

16 I'll watch the time and as it approaches 12:00 noon, on that mark I'll advise that we can either break for 10 minutes, continue the discussion or move forward in its entirety. We'll make that selection at that time.

21 This Pre-Solicitation Conference is to address the changes and the clarifications for the
FY '09 solicitation items. Issues or concerns outside of the solicitation or related to future City Pair requests will be addressed at the conclusion of this FY '09 solicitation conference and immediately thereafter we will address those issues.

As you know, GSA, and in particular, the Federal Acquisition Service has undergone a major transformation to re-align roles and responsibilities and in the process selected those people who will play an important part in managing and directing programs such as the City Pair program and into the future.

We're fortunate to have such a person in place who is widely knowledgeable of the industry, knowledgeable of the issues and knowledgeable of how these programs work within the Government environment and someone you know.

With that, I'd like to introduce Mr. Tim Burke to provide us with the opening remarks.

TIMOTHY BURKE: Good morning, everyone.

UNIDENTIFIED SPEAKER: Good morning.
TIMOTHY BURKE: Can I speak without
talking into that microphone, and that's okay?

UNIDENTIFIED SPEAKER: Yeah.

TIMOTHY BURKE: I'll only spend a couple
minutes.

Thanks very much and, Jerry, thank you
for the introduction. Thank you all for attending.
Those on the phone, I appreciate you participating.

A couple things I just want to open up
with. Jerry mentioned about us going through our
transformation at GSA and Federal Acquisition
Service. Jim Williams, our Commissioner, likes to
say this and I'm going to echo it, the
transformation is ongoing.

The actual reorganization is over.

We're implementing. It was a very challenging year
for us all. Certainly our City Pair industry
partners, our customers, DoD, I think there's some
other vendors in here, I thought I saw somebody from
CW here, you guys have all seen how we've gone
through the changes on it.

I will also state the changes, while
they're important and they're markedly different,
some things are just the same. For example, you see
Becky Koses and her team, they are still very
tightly integrated as we take programs to maybe a
different approach towards getting the job done for
now and going into the future.
We're not losing the knowledge equity.
We're not losing the expertise. I think it is a
terrific segway for this part of the Agency,
especially in the travel group.
I also want to underpin something.
We've had very interesting dialogue and activities
with the airlines and we've had it with the
customers. I can't thank the customers enough, DoD,
AMC, Defense Travel Management Office and the others
that have participated in getting on the table the
changes that industry has been talking about for the
last couple years.
I know there might be a little bit of
disappointment in the '09 solicitation on the street
regarding the major issues that industry was looking
for. We think we've got really solid communication
with you and working that will continue. And I think in that light to Jerry and his team, they are creating some time post this discussion to continue those discussion points specifically. May not be in the solicitation as you see it and that is for the discussion for this next hour to two, but post this meeting Jerry I think has created the invitation to continue the dialogue.

It is not off the table for the future models at the City Pair program. We recognize it's important. We recognize it's a change in a dynamic marketplace and we recognize that you tell your superiors and your management that we need to get the customer to move to more inventory controlled similar commercial model.

We, on the other hand, as we've expressed to you, have serious challenges in changed management that must take place. We want a sustainable long-term program. I know you folks understand that. I do believe the investment that especially DoD and a few other customers have made in working with our City Pair program efforts is
going to reap some benefits of where we're going
with the model for the future. So I'm excited about
that, I think it's going to continue.

And the invitation I'll close with is
still open, I do think we want to partner with you,
not necessarily in solicitation discussions. Again,
that's why Jerry is going to meet with you folks at
the end of the meeting, but I do think we want to go
forward and as one of your key representatives, Danny
and I have met and chatted, I do think there should be
a really strong effort, whether we white paper it
Denny or whether we spearhead it a different way, I
want to keep that dialogue active, I want it
progressive and I want us to be able to measure its
progress, all right.

I know it's critical for your management
to know what this model is for them and how they can
benefit from it. We're sensitive to that. If it's
not beneficial to your teams, you may not
participate or may not participate as broadly. That
has an impact on us and I think the customers
understand them very well.
And I will close with one other final statement that I shared with Jerry, I think at our previous meetings we told you that we were going to establish an executive governance council for travel programs, travel programs, not just travel, not just City Pair. We did do that in the interim in between our last meeting and now, it was successful a few weeks ago, successful described the following ways, broadly attended, DoD, as well as their very senior level folks, on this side I think the audience will attest to, we appreciated their participation, we included the 24 business reference model agencies which represent the 24 largest other Federal agencies besides the DoD, since DoD is half the size of what we all do.

Well attended by both the CFO SES level and deputy chief financial officer level. Much, much was talked about around the City Pair program and the issues at hand. It gave us an opportunity to convey to management, especially the fiscal management side of the Federal agencies, the real dynamic in the marketplace that's active and it's
current. We told them that we have our meeting scheduled in February. They actually would like some interim feedback before we get to final solicitation and final decisions and awards and within the realm that we can do that from a contractual perspective, we will give them interim updates.

So our process for change management of the Federal Government is challenging in the fact that it's broad and it's deep, but I think GSA is going to stay to its commitment level in a very, very real way in making the change management environment doable where we want to change programs.

Some of the things we're talking about is significant changes in the 29-year history of this program. That doesn't make them unimportant, it doesn't make them undoable. I want you guys to know that, I don't want you to walk out of here and feel that, well, we think all of a sudden seven days is going to get thrown in tomorrow, seven day advanced purchase, you know, solicitations on the street as drafted. We'll get your feedback, we'll
work it from there.

But it is not off the table for continuing focus on what can be changed to the more commercial model you've been asking us for. Fair enough?

Thank you very much. Enjoy your meeting. I appreciate the opportunity to speak.

JERRY BRISTOW: Thank you, Tim. I would like to move this forward. I think the first thing we need to do is make sure that we get all that's, all of those that are in attendance, that we get that recorded as well so as I pass this microphone along, if you could please state who you are and the company that you represent. Thank you.

RON IVESTER: Ron Ivester, CWTCO Travel, group sales and business development.

PATTI SIZEMORE: Patti Sizemore, DoD.

JOHN LUNDEBY: John Lundeby, DoD.

GARY SZNAJDER: Gary Sznajder, Continental Airlines.

DEBORAH SHANE: Deborah Shane, Mesa Air Group.
MICHAEL COX: Michael Cox, Express Jet Airlines reservations center, reservations -- or sales, sorry.

JOSHUA JUNK: Joshua Junk, AirTran Airways.

KEVIN McMAHON: Kevin McMahon, AirTran Airways.

HOWARD HICKS: Howard Hicks, Defense Travel Management Office.

SHIRLEY HALL: Shirley Hall, Defense Travel Management Office.

ANDREA CARLOCK: Andrea Carlock, Defense Travel Management Office.

CARMEN MONTANEZ: Carmen Montanez, Army G 4.

SARAH SISSON: Sarah Sisson, Northwest Airlines.

DENNY CLIFFORD: Denny Clifford, Northwest Airlines.

JEROME JOHNSON: J. Johnson, DoD, USTRANSCOM.

PATRICK QUALE: Patrick Quale, American
Airlines.

GEORGE COYLE: George Coyle, American Airlines.

FRANK GALLUZZO: Frank Galluzzo, OSD transportation policy.

BOB SHANNON: Bob Shannon, USTRANSCOM policy and doctrine division.

BRIAN MUNSON: Brian Munson, Delta Airlines.

LEE GRIGSBY: Lee Grigsby, Delta Airlines.

KEVIN DEROUIN: Kevin Derouin, Department of Justice.

NANCY MIZE: Nancy Mize, Department of Justice.

GENE LEE: Gene LEE, GSA contracting.

THOMAS DELGADO: Tom Delgado, Express Jet Airlines.

FRANK ROBINSON: Frank Robinson, GSA, acting director for the Center for Travel Management.

VINCE AQUILINO: Vince Aquilino, GSA's
Capital Reporting Company

1 PMO.

2 TOM BILLONE: Tom Billone, United Airlines.

4 ANN SCOTT: Annie Scott, GSA, dispute resolution group.

6 CRAIG YOKUM: Craig Yokum, GSA travel acquisition.

8 VIRGINIA GREBASCH: Virginia Grebasch, GSA's Office of General Counsel.

10 JERRY BRISTOW: Thank you, everyone, I appreciate your introductions. I'm sorry, we have a few on the telephone. Can you please state who's on the line, please?

14 PAM ARBITER: This is Pam Arbiter with Midwest Air Partners.

16 MICHAEL O'BRIEN: Michael O'Brien,

17 United Airlines.

18 NESSI CASTY: (phonetic spelling) Nessi Casty, Alaska Airways.

20 LEAH BRITTON: Leah Britton, Jet Blue Airways.

22 WILBORN LILLY: Wilborn Lilly, ATA
Airlines.

JERRY BRISTOW: Thank you. Is there anyone else?

Thank you very much. Without further ado, I'm going to introduce Denise Banks, Branch Chief for the Office of Acquisition Services in charge of the City Pair team.

DENISE BANKS: Good morning and thank you, Jerry. Welcome to the FY '09 City Pair Pre-Solicitation Conference.

Our objective this morning is to provide you with an overview of the '09 acquisition and the significant changes that have occurred since '08. I welcome the opportunity to allow each of you to present your questions when we have Q and A. I want to remind you just as a note, previously in FY '08 you may have had discussions with Craig Yokum as the CO for the City Pair team. Our CO this year is Kristen Jaremback, so I just want to make sure. She's sitting up front and we'll do our introductions in a few minutes.

I also want to encourage each of you if
you have not done so, I'm hoping that you have,
you've had a chance to look at the solicitation,
it's 97 pages long, has about four or five
attachments, I'm hopeful that you've had the time to
look at it, you've made your notations, if you did
not submit questions, that you've jotted down some
questions that you'd like to ask us at our Q and A
and I look forward to working with you.

I'm excited about the opportunity of
those of you who are currently City Pair vendors and
look for your participation in '09. I am also
couraged about any new vendors who want to
participate in the program. Competition is healthy,
so we look forward to that and I'd like to introduce
the City Pair team.

In front we have Kristen Jaremback,
she's our CO. We did have Lauren, she was just here
and stepped away, but she's also a contract
specialist on the team. We have Jerry Ellis who is
a contract specialist on the team. Our PMO is
Vince, he's sitting in the back. I'd also like to
acknowledge and recognize our manager and my
director, Rebecca Koses, she's sitting up front
here, and also for my team in the back I have Craig
Yokum, he's the CO with travel services and I have
Gene Lee, he takes care of our E Travel Solutions.

So I want to open up the floor and we'll
begin.

KRISTEN JAREMBACK: Good morning. I
apologize, right now Lauren is trying to get the
Power Point working. We are having a little bit of
an issue here, so I'll just proceed and hopefully
we'll get it on line soon.

Before I just start discussing the
significant changes which I, for the FY '09
solicitation, I'm just going to go over a few, just
address a few general requirements.

Attachment one is the proposal checklist
and I just want you to note here that you're not
required to submit the entire solicitation in its
entirety. Only the sections listed in the proposal
checklist are required and they have to be included
with an original signature, a hard copy original
signature and the sections are the Standard Form
Capital Reporting Company

1449, the subcontracting plan and the accurate schedule information declaration. All other sections can be submitted electronically.

The next is Attachment 3, which is the City Pair Offer Preparation System, also known as COPS. This attachment is the COPS handbook which helps in preparing and submitting the offers for the market requirements. We encourage you to review the COPS handbook and then although it has not changed significantly, just to refresh your memory and when we send out the test environment, we'll send out a user name and a password. We encourage you to go in and to test out the system to make sure you're ready for when COPS is rolled out for you to submit your offers.

Attachment 6 is a small business subcontracting plan. This is just a model which you can use to help you prepare and submit your subcontracting plan. Currently our small business office is working with the City Pair contracting team as well as airline, current airline contract holders to ensure the smooth process of submitting,
of filling out and submitting the subcontracting plan. And the office is currently working with airlines to have one-on-one meetings, so we encourage you to set up one with the small business office so that you can, if you have any questions or they can help you answer any or clarify any part of the subcontracting plan process, they can do that for you.

And if you have any questions after the meeting regarding your subcontracting plan, you could have your subcontracting representative call Lauren Donnelly. Her number and information will be listed hopefully at some point on the screen.

Okay, now I will start talking about some of the significant changes in the '09 solicitation. The first is Section B1 which is the definition section and here we have a revision of the capacity control, the -CA definition to clarify that black-out periods of any duration are not permitted. There's a question that we received on this which I will read. It asked, elimination of
black-out dates on -CA fares being made without
discussion or consultation with your airline
partners, why is this being done on a unilateral
basis?

This revision occurred due to instances
over the past year where black-out periods on -CA
fares caused issues for many Government travelers,
specifically during the holiday season. The -CA
fares should contain no restrictions -- excuse me,
is there a problem? Okay.

Okay. Like I was saying, -CA fares
should contain no restrictions similar to the YCA
fare except that you're able to control the
capacity. So the -CA fare, as you know, we allow,
it allows the carriers to control your own inventory
buckets without the need to have the black-out
periods.

The next area that I will be discussing
is fuel surcharges. And as there's been
nothing, no change since last year regarding the
fuel surcharges. In August of this past year, GSA
had sent out an interpretation of the clause which
I'm just going to go over now so we're all clear about what the interpretation of the fuel surcharge clause is.

The letter stated that after award, carriers can apply a fuel surcharge to the upcoming contract fares even if the fuel surcharge was initiated before the beginning of the current contract -- the upcoming contract period but after the time of submission of offers.

For example, for the FY '08 offers, they were due in March 2007 and April 2007 for group one and group two and the '08 contracts were awarded in June 2007, with a contract effective date of October 1, '07.

From the time of submission of offers until the time of initiation of the contract period, fuel surcharges may be implemented on contract fares by submitting written representation that the original offer price did not include any amount of the anticipated fuel surcharge.

And all of the other provisions that's stated in Section C 13, that's the fuel surcharge...
clause, they continue to apply and they include
written notification of the commercial fuel
surcharge imposed, the effected booking inventories
corresponding to the YCA, -CA, -CB fares, the
amount of the fuel surcharge, the markets that were
effected and a 14-day consecutive minimum is still
required before implementation to the contract fares.

There was a question we received on the
fuel surcharges and the question is, we would,
again, like to draw attention to a
mutually-beneficial verbiage update. This carriers'
misunderstanding or agreement or something similar
will clarify and eliminate misunderstanding or
possible loopholes during the price development. And
the suggestions were, carrier filed GSA pricing
excluding any form of previously baked-in fuel
surcharges, carrier filed GSA pricing without
anticipation we would require such fuel surcharge
at a later date and I believe my explanation
previously hopefully clarified that. If not, I
would take a question about that.

The next section is Section B 28 which
is air carrier quality and safety which states that award may be made if an air carrier is undergoing the DoD approval process as long as the carrier is not on the DoD approved list -- disapproved list.

Additionally, award may be made to a carrier that has proposed to serve a market using a code share as long as the code share partner is undergoing the approval process and is not on the DoD list of disapproved carriers.

There has been no change to this clause, however I just want to bring your attention that it has moved to Attachment 2, Section 8, where offerors are required to fill out a section of that clause and submit it with their proposal.

And finally, Section B 30, the civil reserve air fleet program. In this section and in other sections throughout the solicitation there's been a change where it used to say certificate of CRAF technical ineligibility. It will now be referred to as letter of CRAF technical ineligibility. It's simply a clarification just to prevent any confusion.
And with that, I'm going to turn it over to Lauren and we have our Power Point up, which is good.

LAUREN DONNELLY: Okay, well better late than never, but it wasn't our fault, it was the computer, darn it. No.

Okay, well, I would like to just make a clarification on part D 7. Basically Houston Hobby Airport is a domestic airport. We do not allow international flights in and out on the City Pair program out of Hobby, so, however, since the city code for Houston is HOU and that's the airport code for Hobby, we're just making a clarification that Intercontinental is the only international airport --

JERRY ELLIS: No.

LAUREN DONNELLY: -- to be called HOU, but that's not to be confused for Houston Hobby, for international flights.

JERRY ELLIS: Lauren, I'd like to make a point, you can use Houston Hobby on a connection basis for international markets. There's, there's
no international non-stops out of Houston Hobby, but
there are out of Houston Intercontinental, so for
international purposes, HOU, the city Houston,
icorporates both IAH and HOU for international
markets.

LAUREN DONNELLY: Thank you, Jerry.

Does anyone have any questions about that? Okay.
The next section is also regarding D 7, only this is regarding Section 2, capacity volume.
There's been a language change, but really our
interpretation has not changed.

It used to say based on the number of
seats available, it now says based on the capacity
available. This is still a part of a cost technical
trade-off that we use when evaluating group one
markets, however, like I said, this is just a
clarification.

Our interpretation has not changed and
nor will our evaluation. We know that this is
somewhat of a, you know, it could be a contentious
issue because the question was raised, this is a
question that was received, what is the intent of
this, is this to reward, place more importance on
 carriers that do not fly regional jets, what is
 going to be the exact impact on evaluation.

At this, and I'll just repeat again, at
this time we do not plan on changing our method of
evaluation, but this is just to basically clarify
from previous years and also to allow for the
potential in the future if our main customer, which
is DoD, which is, you know, as you all know,
the agency that has the main issue with cargo
capacity on an occasional basis on the regional jets
just to allow for future understanding and
interpretation which we'll be working with you guys
at that point.

Attachment 2, Section 2, this was listed
on the changes. There actually has not been any
changes, we just wanted to, for the second year in a
row, bring to your attention that we are requesting
a point of contact for any customer service related
issues.

And the last thing that we wanted to
clarify is there are several group one and group two
markets that are domestic but that they only have
one flight minimum service, whereas most of the time
there's at least a flight -- a minimum flight
requirement of two. The reason for this is that,
and these are predominantly out of San Juan, Puerto
Rico, Saint Thomas in U.S. Virgin Islands, Saint
Croix in the Virgin Islands, Palmdale, California,
and Salem, Oregon, and these are not necessarily
part of the extended connect markets, although some
of them do happen to reside there, but they are just
treated slightly differently with this one flight
minimum requirement to reflect typical commercial
flight availability.

So, you know, basically just to ensure
that we have a qualifying carrier.

With that I'm going to turn it over to
Jerry Ellis who will describe the methods that we
used to come up with our markets this year.

JERRY ELLIS: Good day, partners, and
customers of the City Pair program. I'd like to
give you just a brief overview of how we make the
market selection processes. There has been
questions both in the past, both from our customers
and from our vendors of how do you select the
markets and why are there that many markets and how
do you arrive at the proper number of markets.

Well first of all, we survey our
customers via the Federal Agency Requirement Market
System, or known as FARMS, to determine their market
requirements.

Just to give you an overview for FY '09
under the FARMS network, we received over 35,000
market requests worldwide. Obviously we have to
pare this down to a workable number both for us and
for us to solicit to our carrier partners, and we
usually try to keep the field between 6,000 and 7,000
markets. We feel that that is enough to satisfy our
customers needs and yet keep it as a workable number
to send out in our solicitation.

How we derive that number is that we go
through and part of the FARMS is that there's an
estimated number of passengers to be utilized in
that market, we get, we take a combination of that
also from the O&D sales reports that we get from the
smart pay card and from ARC and we look at all those
factors and we figure out which are the most
utilized markets that we should solicit for the
marketplace.

This year, something that we have done
this year that we have not done in the past, we've
put a great deal of analytical process into looking
at the markets that we solicit.

I think we're all aware that
historically that there has been many markets that
have traditionally and historically been solicited
that no carrier would meet the requirements either
that market is not served by a U.S. flag carrier
internationally or even under the extended
connection marketplace, no carrier would meet the
qualifications.

So what we did, we analyzed the markets
quite carefully and we threw out those markets that
we did not feel any carrier would qualify under any
conditions just so they would not, so-called, muddy
up the waters.

Next slide. Too complicated for me.
Okay, so how did we arrive, and this is what we came up, we actually came up with fewer markets than we solicited last year.

We have a total of 6,805 markets and, however, you're going to find that there's a little bit different distribution in how the markets and what area they fell into. There is 2,657 group one domestic markets and you can read them up there, I don't need to read them to you.

However, what you will see is a much larger number in the extended connection markets and basically what we tried to do is to ensure that there was at least one qualifying carrier in every market that we solicited and so some of those had to fall to the extended connection markets.

There is a requirement by our customer, however, they did not fit into the criteria for our normal connection patterns and so they fell into the extended connection, but we wanted to make sure that the carriers had the ability to make a bid in that marketplace.

We have, again, continued the, and
actually expanded the extended connection marketplace. You'll find more in the domestic marketplace, especially in and out of Alaska and Hawaii and a lot of those markets, again, to Lauren's point, have only a single flight minimum rather than a double flight minimum. There actually are fewer group two domestic markets and international markets, so we have tried to narrow the scope down to a workable area.

Please note, again, that many Alaska/Hawaiian markets to the Continental United States have a one flight minimum. There are others, to Lauren's point, there are some other Continental United States domestic markets that have a one flight minimum, most especially in the Caribbean area.

Every market in the group one extended connection market has a one flight minimum and again, our intent is to ensure that at least one carrier qualifies in every market that we solicit rather than having a lot of markets out there that no carrier meets minimums.
I will now entertain any questions that you might have of the markets or how the market selection process works.

Any from the phone? Okay, no questions, thank you very much.

JERRY BRISTOW: This must be the fastest City Pair meeting on record, is it? But we are going to open it up to the floor for discussions and for questions, okay.

TOM BILLONE: Tom Billone, United Airlines. I'm the one that wrote the two questions about the cargo and capacity and the removal of the fuel, about the removal of the black-out dates from the capacity controlled fares and I'm really concerned that sometimes, you know, we talk about a partnership here, we've had three meetings with the GSA City Pair team this year and not once was the removal of the black-out periods brought up, all right.

Now this was something that was put in place when we went in with the dual fare system. As all the airlines agreed to, that was the definition,
now all of a sudden the definition is being changed
on us without consultation because some people had
issues over the holidays because they couldn't get
on a plane or whatever carrier put in. One of the
reasons I got was no carriers using.

I find that not in -- excuse me, not in
the good spirit of partnership and, matter of fact,
the City Pair team didn't even know that this was
available last year. When I questioned how do I
identify what black-out periods I can use, I was
told you can't use black-out periods and I had to
point to the specific definition in the contract to
Craig Yokum here saying no, no, no, we're allowed
black-outs and now all of a sudden my question is
now used against the airlines to change the
definition.

So, I'm totally against that change as
being unilateral. That's my first question and I
hope somebody answers that. I don't know how the
other carriers feel about that, but in the spirit of
partnership, I think it at least should have been
discussed with the carriers before that decision was
made.

JERRY BRISTOW: Anybody answer that?

KRISTEN JAREMBACK: The change was
decided to be unilateral because it, the intent was
to have both the YCA and the -CA be, have no
restrictions on them and to not include any
black-out periods. The only difference between the
two fares is supposed to be that you can control the
capacity and the number of seats available on the
_CA so you can still control your inventory buckets
with the blank CA, so we don't find that it's, the
black-out periods is something that's needed.

TOM BILLONE: But that was negotiated,
that was something we negotiated with the split of
the fares and now all of a sudden you're saying it's
not convenient for you and we want to change it and
you didn't even discuss it with the airlines.

And this is, this is my point, you know,
maybe if you discussed it with the airlines ahead of
time we would be agreeable to change it, but
nobody's discussing this with us and I think it's
only fair. You keep using partners in your details
and partnership and that's not part of the
partnership. I'm sorry, that's like here it is,
airlines, in your face again.

And I'm sorry, you know, I tried to be
the voice of reason, but sometimes you guys are
doing things that, you know, when I ask a question
and what I asked is used against the airlines as a
whole, the questions aren't going to be coming back
and forth.

I mean that wall is going up faster and
faster and it really is upsetting to me and again, I
don't know how the other airlines feel about not
being filled in on this. They may not care, but I
think it's something that we negotiated and we
should have all agreed to that. That's --

JERRY BRISTOW: Can I say one thing,

Tom?

TOM BILLONE: Yeah.

JERRY BRISTOW: This is a

Pre-Solicitation Conference and we hope that even
some of these changes that maybe we didn't have
opportunity to discuss them with you, they are in
the solicitation, this is what this is for, to have this type of discussion, to air this, these issues and be able to move forward on this.

TOM BILLONE: Well I think we should ask the other carriers. If they don't mind, that's fine.

JERRY BRISTOW: Okay, exactly.

TOM BILLONE: You know, I mean that's okay with me, but just so we have that discussion.

JERRY BRISTOW: Understand, thank you, Tom.

DENNY CLIFFORD: Denny Clifford for Northwest, just for the record, we do care, we agree with United.

You know, number one, in the interest of partnership, I concur with Tom. This should have been laid out some time before. I understand, Jerry, this is the purpose of this meeting, but there are also other issues that we could have brought up before this.

More importantly, though, I think, you know, we should keep it where it was. There's a
reason for the black-out period. We understand the
purposes for the blank CA, but the fact that, you
know, we've lived with that for so many years
already, we believe that there should be no change,
just for the record.

JERRY BRISTOW: Anybody else?

Control of the buckets is not sufficient
enough?

DENNY CLIFFORD: Right.

JERRY BRISTOW: Okay, just want to make
sure.

DENISE BANKS: Are there any other
questions on this issue? Any other comments from
any other vendors? Okay.

KRISTEN JAREMBACK: The other reason
this came up was because we were having issue, like
I had mentioned previously, we were having issue
with our travelers being able to make a reservation,
so that's where this issue came up, it wasn't
because it was stated to us before it was --
it came up because we had an issue and we're trying
to protect the interests of our travelers.
TOM BILLONE: But they also have the YCA fare that they can get.

KRISTEN JAREMBACK: I understand.

TOM BILLONE: They're not denied being boarded on the flight or being able to get a flight, they're just not able to get the really low fare during that period of time and they're competing with everybody else who is traveling. They always have the YCA available so that, to me, is not a valid argument, that they're having problems getting seats, because they're not, they can get a YCA.

KRISTEN JAREMBACK: Okay, understand that.

Anyone else have anything? Any other questions?

JERRY BRISTOW: We're going to table that for further review.

TOM BILLONE: Okay.

JERRY BRISTOW: Thanks for the comment.

DENNY CLIFFORD: Just one other comment, you know, we've asked for ticket time limits, apparently that's not going to be included in this
solicitation. That would maybe be a compromise, if you will, with respect to the black-out periods.

You know, you're not giving us TTL, can you at least give us the black-out periods? And I'm not caving on the TTL, by the way, but that would be up for continuing discussions.

JERRY BRISTOW: Do we have any other questions?

Tom.

TOM BILLONE: The second question --

JERRY BRISTOW: Hold on a second, she can barely hear you, that's why.

TOM BILLONE: Okay, the second question I asked had to do with the weighting on the number of passengers and cargo space and, you know, yes --

DENISE BANKS: When you pick up the mic, could you say who you are?

TOM BILLONE: Oh, okay, I'm Tom Billone, United Airlines.

DENISE BANKS: Thank you.

TOM BILLONE: Thank you.

Have you really thought -- you're saying
right now that there is no change but there may be a
change in, down the road as to how you evaluate
things based on the cargo space and the amount of
passengers an aircraft carries, okay, which actually
is a disadvantage to people running RJs in a
particular market because the RJs only have 50 to 70
seats and their cargo capacity is limited. All
right, I understand the DoD's concern because we've
had those issues come up constantly.

But you really need to think in the
broader picture on this thing as to what effect that
has. Say you say okay, X, Y, Z airline, you only
fly A 319s and this other airline only flies RJs
with 50 seats and you've got bigger cargo space, so
we're going to award you this City Pair contract.

You really need to look deeply into what
that means because you may be sorry for what you
asked for and there are a lot of issues that go in
with inter-lining and baggage and canceled flights
and who's protected and who's not, so it's just
something you may want to think about in the future.
It's an important issue because you may award a
specific carrier a City Pair and they're going on a connection internationally, what happens to their bags, their bags are not going to be checked through. What happens if their flight is canceled, well if there's no inter-line agreement between the carriers, they're not going anywhere.

So, those are some things you better think about rather than just say well, you know, we can't fly on this aircraft because rather than ship our 10 boxes, we want to fly it.

So just something to think about.

JERRY BRISTOW: Answer that? Anything else?

JOHN LUNDEBY: Yeah, John Lundeby from the DoD. We've got one airline that's made a significant change on baggage, the standard bag perhaps being 25 dollars. We just are curious how that will effect the GSA City Pair tickets if, what category we fall into?

TOM BILLONE: I can answer that.

JERRY BRISTOW: And your name, please?

TOM BILLONE: Well it was on the news
last night, I'm Tom Billone, United Airlines, I anticipated this question today and these are on non-refundable fares, all right, so if your Government traveler thinks they're saving the Government money by purchasing non-refundable fares, they're going to be paying extra if they have two bags.

So, it's the standard, you would fall under basically what the, the premiere status would be since it's a non-- it's a fully refundable fare and then the additional would fall under what the regular program is now, the 100 dollars, so if you had a third bag, instead of it being 82 dollars up to whatever, I think it was 125, it's now going to be 100 dollars. Extra large items, such as skis, surfboards, and some people on Government travel bringing skis and surfboards with them, they're going to pay for those, also.

So, so it's, but the basic policy change is still what it is for Government today.

VINCE AQUILINO: John, did you understand that?
In other words, I think what you're saying, Tom, is that this does not apply to YCA or -CA fares and then it applies to non-refundable commercial fares is what you're saying.

JERRY BRISTOW: As you can see, the dynamics of the airline industry are always in motion here, so we have to make sure that we're addressing and accommodating each of these issues.

Anyone else have any questions or, what I prefer, discussion?

Is there anyone on the phone that has any questions or items for discussion? We're going to take that as a no.

With that, this concludes the City Pair Solicitation, Pre-Solicitation Conference. Those that would like to stay for any other items or issues outside of the solicitation, we're going to open that up. Feel free and you're welcome to stay.

This now concludes this and we can now turn off the recording device, okay.

(Meeting adjourned at 11:46 a.m.)