

MYTH VS FACT

Discounted Government (DG) Fares Are City Pair Fares



Discounted Government Fares (DG) Are NOT City Pair Fares

Help the government keep their contractual commitments!

The yearly City Pair procurement process:



1. BIDS REQUESTED:

The government sends out a list of 9000+ markets where there is enough government traffic to warrant a bid.



2. BIDS RECEIVED:

The carrier submits their fares (all of which are fully refundable and have no change fees).



3. MARKET AWARDED:

Based on a thorough evaluation of both the price offered and service provided, the government awards the City Pair to ONE carrier.



4. AWARD FARES LOADED:

The awarded carrier loads the _CA and YCA fares.

a. _CA fare is CPP's lowest fare that is fully refundable, no change fees, with limited availability.

b. YCA fare is CPP's fare that offers travelers last seat inventory availability.



5. CARRIERS WHO DON'T WIN THE AWARD:

Carriers who are not awarded can either:

a. Rely on the fares they offer to the public in that market (as the government booking systems do display commercial fares)

b. Create a DG fare with similar benefits as the award carrier fares.

A key thing to remember: the government's federal travel regulations requires you to fly the awarded carriers. Even if the DG fare matches the award carrier's fare, taking a similar or higher priced DG fare undermines the compliance to the government contract and desired goal of driving business to our awarded carriers. This gives carriers less incentive to price competitively and ultimately could drive prices up.

5 Things to Note About DG Fares:

- 1. Fares are usually higher:** In FY16, DG fares taken averaged 17% higher than the _CA Limited Inventory fares. DG fares do not always match the lowest fares offered by the award carriers.
- 2. Same benefits aren't guaranteed:** Though the airlines usually match the same benefits as the awarded fares, the rules to a DG fare may not have the same refundable requirements or ticketing time limits. The only way to ensure that you get the negotiated benefits of a CPP fare is to take a CPP fare.
- 3. The government cannot prevent DG fares:** The government cannot restrict a carrier from loading a fare in a market. A Federal Agency can preference the display so that DG fares are displayed less prominently or require a reason code when a non-contract fare like a DG is taken.
- 4. If there is no City Pair fare available or awarded:** In markets where the government doesn't have enough volume to warrant a bid, a DG fare is useful. Also, if the award carrier's flights are sold out within the desired booking window, the DG helps ensure that the government traveler will get a similarly priced fare with similar benefits.
- 5. The government needs to maintain compliance by traveling on the City Pair carrier and reduce the use of DGs:** Federal Travel Regulations Section 301-10.106 and 301-10.107 REQUIRES you to use the City Pair carrier when available and not a DG. The DG fares on non-contract carriers can only be used when/if one of the 5 acceptable exception codes is appropriately applied in order to complete the mission.



For more information, go to www.gsa.gov/portal/category/27075

For questions or assistance booking travel, call **Travel Programs** at **1 (888) 472-5585**