A bold voice for transportation workers

RESTORING FLY AMERICA

Since 1975, the Fly America Act has required that when federal employees and their dependents, contractors, grantees, and property travel internationally on trips financed by the federal government, they do so on U.S.-flagged air carriers. Like many other laws and regulations in the transportation sectors that require some form of domestic preference, the requirement seeks to combat unfair competitive practices that U.S. carriers encounter in many of the countries where they operate, including the financial subsidization of carriers by their host country. These requirements ensure that federal spending on travel brings positive economic impacts to both domestic air carriers and their employees. As such, the Fly America Act represents a strong example of the policies touted by the President's Made in America Executive Order, and we call on the administration and Congress to take action to uphold the Act's requirements.

Today, renewed commitment to and enforcement of Fly America is desperately needed, as the Act's mandate is not currently being fulfilled. The Government Accountably Office (GAO), which oversaw the implementation of the Act until 1996, held that agencies could contract with foreign air carriers through code sharing agreements, in which a U.S. carrier markets flights using its code in conjunction with a foreign partner, including arrangements in which the foreign carrier exclusively operates flights with its own aircraft and crews. Such arrangements were permissible as long as the U.S. carrier received a substantial portion of the revenue from the contract, and that it is not acting as a "mere booking agent" of the foreign carrier.

Unfortunately, when authority of the program moved to the General Services Administration (GSA), the agency failed to uphold the Act's intent with regard to codeshare policy. Specifically, GSA determined that any codeshare arrangement satisfies the law, regardless to whom the spending benefits. This has allowed U.S. carriers to rent out their code to foreign airlines and as a result, foreign employees capture the entire benefit of their program. Simply put, while the U.S. carrier may receive a trivial portion of the revenue in this scenario, U.S. pilots, flight attendants, gate agents, and other employees are not paid if these passengers are not flying on their planes. If federally funded air travel is not substantially benefiting U.S. domestic air carriers and procuring benefits for these workers, these expenditures are in clear violation of the Act.

For these reasons, we urge the Administration to revise GSA policy to ensure the Fly America Act is interpreted to benefit U.S. airline workers and U.S. air carriers. This shall require that U.S. parties are the substantial beneficiaries of the program and U.S. carriers must be capable of operating the flights awarded under the program. These actions are necessary to restore the function and interpretation of the Fly America program to one that truly benefits domestic airline workers, as the Act intended.

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