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## Rising costs squeeze official travel

By GREGG CARLSTROM

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Traveling is about to get tougher. Air fares under the government's discount program will climb 13 percent on average starting in October.

"We're hoping the impact will be no different than [other fare increases] in the past," said Tim Burke, director of GSA's Office of Travel and Transportation. GSA manages the City Pairs program, which offers federal employees discounted air fares for thousands of routes. Chief financial officers and travel managers "will take more strides to see how they can stretch their dollars, ... and they'll be more vigilant to discount opportunities."

Travel managers say they're responding by cutting back on nonessential travel and shopping for better bargains.

At the Defense Department, for example, employees in need of training are traveling less for it and clicking online more. The department has conducted more than 80,000 online classes for civilian and military employees over the past two years. And more than 300 Defense facilities are now linked through simulators, so that helicopter pilots at different bases, for example, can train together.

"When we bring the simulators to staff, rather than staff to the simulators, we save a tremendous amount of money," said Dan Gardner, the department's director of readiness, training policy and programs.

High-tech training has been a priority for a few years, but Gardner said it's becoming a bigger priority as travel costs increase.

At the Homeland Security Department, officials are rethinking which trips are essential.

"You're allocated a certain number of travel dollars per organization," said department spokesman Larry Orluskie. "If you do lots of travel for, say, training, you may end up robbing Peter to pay Paul."

Housing and Urban Development Department managers have already cut back on some travel, and they're booking more "combination trips" in which employees work for multiple program offices on the same trip.

"We're saying [to employees], since you're going to be traveling to this city for essential travel, could you also look into another issue for another program office," said Antoinette Banks, department spokeswoman.

GSA's Burke expects travel managers will shop around more to find discount fares that might be cheaper than the City Pairs contracts. Agencies are generally required to use City Pairs, but travelers who find better deals elsewhere are allowed to book them. City Pairs contracts don't include many discount airlines, such as Southwest and Spirit, which may offer cheaper fares.

GSA signed contracts with 12 airlines. The largest participants are Delta, American and United, each of which offer discounts on more than 1,000 domestic and international routes.

The average one-way fare in 2009 jumped 13 percent — from \$272 now to \$308 beginning in October. GSA's fares remain a bargain in many cases though, often 60 to 80 percent less expensive than unrestricted commercial fares.

This year's fare increase is far larger than the traditional 4 percent to 5 percent hikes the program sees each year. But the 13 percent increase is still far below the trend in commercial air fares, which jumped roughly 34 percent in the last year, Burke said.

But these higher air fares might get higher still. Airlines that add permanent fuel surcharges to their commercial fares can impose the same increase for their City Pairs fares. Many airlines did that this year to add surcharges of \$25 or more to flights.

Some fares are affected more than others. A one-way flight from Washington's Reagan National to Chicago's O'Hare, for example, now costs \$116 at the last minute, up from \$105 last year, a 10 percent increase. A flight from Washington to Dallas-Fort Worth costs \$490, up from \$458, a 7 percent difference. A few routes even decreased in price: A last-minute fare on the shuttle from Reagan to New York's LaGuardia cost \$110 last year. This year: \$105.

That's because larger markets are still competitive, served by multiple airlines with extensive schedules. In smaller markets, where many airlines are cutting flights or stopping service entirely, federal travelers will take a hit.

"The increases were mainly in the lower-tier markets where the competition isn't so severe," said Jerry Ellis, GSA's director for the City Pairs program.

Detailed data on the 2009 City Pairs fares is due out this week.

Travel managers may have to adjust even more in the future. The airlines think federal travelers are booking too many last-minute tickets. Those fares are more expensive than the advance fares, but well below the last-minute fares paid by commercial travelers. So airlines are pushing for changes in next year's City Pairs contracts that would encourage more advance purchases.

"They haven't asked for a broader range of fares," Burke said. "But they'd like us to buy more in advance, and if we buy at the last minute, we'd pay more."