



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

DATE: February 4, 2016
TO: Recipients of Awards under the U.S. Small Business Administration's State Trade and Export Promotion (STEP) Program
FROM: Office of International Trade
U.S. Small Business Administration
SUBJECT: The Fly America Act and the STEP Program

This clarifies and supersedes our memorandum of November 28, 2011, on the same subject.

In broad terms, the Fly America Act, codified at 14 C.F.R. Part 301-10.131-143, requires that in most circumstances, individuals whose travel is paid for with STEP award funds (comprised of STEP Federal and Recipient Match funds) must fly on U.S. Flag Air Carriers. (Such carriers include American, United, Delta, US Airways, etc.) For this reason, the Fly America Act is applicable to travel by both STEP Award Recipients and STEP eligible small business concerns (STEP Clients). *However, there are several important exceptions that enable travel on non-U.S. Flag Air Carriers.*

First, if travel of a STEP Award Recipient or STEP Client is not paid for with STEP award funds, the Fly America Act is not applicable. This means, if the travel is completely paid for by the STEP Client or by a non-Federal third party (and not reimbursed), the act does not apply.

Second, if the travel is to a destination for which an Open Skies Agreement has been negotiated, the Fly America Act is not applicable. There are currently four bilateral/multilateral "Open Skies Agreements" (U.S. Government Procured Transportation) in effect: European Union US-EU Amendment effective June 21, 2011, Austria effective October 1, 2008, Switzerland effective October 1, 2008, and Japan effective October 1, 2011

There are a number of other narrower, more trip-specific exceptions. Please see regulations at <http://www.gsa.gov/portal/content/103191> for full details. Attached is a Waiver Request available to use for these specific exceptions.

Most commercial travel agents are well versed with the Fly America Act and can provide relevant and timely guidance. Also, feel free to contact your Program Manager with any questions.

Sincerely,

Eugene D. Stewman
Director, State Trade and Export Promotion Program
Office of International Trade

Attachment