

UNIT - III

FARE BREAK POINT:

Breaking a journey at the farthest point has obvious advantages because having the highest MPM minimizes the chance of having excess mileage surcharges. However, there are times when breaking the journey at the farthest point from origin with the highest fare is subject to mileage surcharges (EMS) if the TPM for one or both fare components is higher than the MPM. In such cases, you may experiment with an alternative fare construction point in order to arrive at a lower fare.

Journey: KWI-CAI-ACC-LOS-DXB-KWI

Fare Type: C

All points are stopovers.

By comparing MPMs from the point of origin to each point, you can identify which is the farthest TPMs GI Journey Carrier point from origin

KWI

997 EH CAI MS KWI CAI	MPM EH 1196
2662 EH ACC --- MS KWI ACC	MPM EH 4390
250 EH LOS WT KWI LOS	MPM EH 4093
3661 EH DXB EK KWI DXB	MPM EH 634
529 EH KWI EK	

Accra is the farthest ticketed point from Kuwait.

GENERAL GUIDELINES:

1. Apply the basic fare construction steps such as the mileage system HIP check on each fare component.
2. Divide the published RT fare by two to get the $\frac{1}{2}$ RT fare for each fare component.
3. For the fare component which ends in the country of origin, use the fare in the reverse direction of travel.
4. For HIP checks, check the fares in the same direction as the fare component.
5. A CT may have two or more fare components.
6. If a sector has two or more fares of the same types such as Y1 and Y2 fare levels you may use the lower or lowest level provided the conditions of the rule are met.
7. For circle trips apply the circle trip minimum check (CTM check) by looking for the highest point to point RT fare from the origin to the highest rated stopover point.

RT/CT Formula:

Steps	For each fare component
FCP	Identify fare construction points of the fare component after selecting a fare breaking point
NUC	Quote the Neutral Unit of Construction from the origin to the destination
RULE	Follow the conditions of the rule
MPM	Note the maximum distance between the FCPs.
TPM	Add up the TPMs and compare with the MPM.
EMA	If TPM is higher than MPM look for a TPM deduction.
EMS	If the EMA is nil or insufficient determine the Excess Mileage surcharge by dividing TPM by MPM.
HIP	Look for a Higher Intermediate point fare in the direction of the fare component
AF	Determine the resulting applicable fare in NUC
SUBTTL	Get the sum of outbound and inbound AF NUCs
CHECK CTM	Look for the highest RT NUC from the origin to the highest rated stopover point in the whole journey.
TOTAL	Get the sum of all the NUCs including Plus ups
IROE	1. Multiply NUC by the IATA rate of exchange 2. Drop trailing zeroes
LCF	1. Round the resulting local currency fare 2. Show exact number of decimals required

Example 1:

Fare Type: Y

TPM's	Journey
	JRO
4288 EH	AMS KL
217 EH	LON IB
396 EH	FRA LH
3324 EH	ADD ET
867 EH	JRO TC

JRO LON NUC RT 2463 MPM 5271
JRO FRA NUC RT 1234 MPM 4924

JRO AMS NUC RT 1452 MPM 5154
RULE Y046
IROE 1.00
LCF USD

Fare Construction:

I	II
FCP JRO LON	JRO LON
NUC ½= 1231.50	½ = 1231.50
RULE Y046	RULE Y046
MPM EH5271	EH 5271
TPM 4505	4587
EMA NA	NA
EMS M	M
HIP NIL	NIL
RULE NIL	NIL
AF OUTBOUND1231.50	AF INBOUND 1231.50
SUBTTL RT NUC 2463.00	
CHECK CTM NA	
TOTAL NUC 2463.00	
IROE * 1.00	
LCF USD 2463.00	

CTM CHECK WITH SECONDARY FARES

Remember that to determine the CTM fare for circle trip journeys, you must list the fares from the origin to each stopover point in the pricing unit. However, with normal fares, when there is more than one fare level listed from the origin to a stopover point in the journey, you shall use the lower or lowest RT level. There is no need to worry about the number of stopovers and transfers in the accompanying rule. The objective is to ensure that the resulting fare is not less than the direct fare from origin to the highest rated stopover point in the journey.

Example 11: CT journey fare construction

Journey: TYO-SEL-IST-SOF-X/IST-TYO

Fare Type: Y

All points are stopovers except IST which is a connection

By comparing MPMs from the point of origin to each point, you can identify which is the farthest TPMs GI Journey

Carrier point from origin

TYO

759 EH SEL JL TYO SEL MPM EH 910

5185 TS IST TK TYO IST MPM TS 6903

316 EH SOF --- TK **TYO SOF MPM TS 6914**

316 EH X/IST TK

5753 TS TYO TK

CTM check: List RT fares from TYO to all stopovers.

Sector Y RT level Y2 RT level

TYO SEL EH Y 977.11 Y2 941.93

TYO IST TS YX 6872.38 YX2 **5681.66**

TYO SOF TS YX 6373.96 YX2 5267.31

When there is more than one normal type fare for each sector, you may ignore the primary fare and use the secondary fare level instead. Among the remaining lower fares, encircle the highest secondary fare as the CTM fare. In the example, the CTM fare is the YX2 TYO IST RT fare. Moreover, you may ignore the accompanying rule associated with the secondary fare because the CTM check involves a point-to-point RT fare.

You then compare the CTM fare to the Total Fare for the journey and ensure that the final fare for the journey is the higher one. Remember! The intent of the CTM check is to ensure that the fare for a journey with intermediate points is not less than the price of a point-to-point RT fare from the origin to the same point. Fare Construction: Break at the farthest point SOF

IMPORTANCE OF STOPOVER AND CONNECTIONS:

You may break the journey at a connecting point(a point marked with an (X/)) if this is the farthest point or a point with a potential of producing the lowest possible fare.

As a fare construction point, the connecting point becomes the destination of each component and would have to be considered in the HIP check.

CHILDREN AND INFANTS FARE:

Accompanied Infant

An infant is a passenger who has not yet reached 2 years of age and is not occupying a seat.

General Guidelines

You may allow only one infant who is not occupying a seat to travel with an adult at such a discounted fare. If the adult passenger is travelling with more than one infant, the other infant needs to be booked a seat. As a result, the next infant pays a child's fare.

Unaccompanied Minors (UM)

A minor who is at least 8 years old but below 12 years of age, whether or not accompanied by a passenger paying the adult fare, pays the applicable child's fare. However, there are some exceptions to the use of the child's fare as listed in General Rules Section 6.2 of the PATTECD. For those infants and children who have not reached their eighth birthday and who are not accompanied by an adult (12 and up), such minors pay 100% of the adult fare.

A child is considered unaccompanied if not escorted by a passenger of at least 12 years of age or over paying the adult fare (or travelling on a free or reduced fare ticket based on a discount for an adult fare). The adult escort must be fully capable of taking care of the child during the entire trip, including making connections, checking-in, clearing customs and immigration, safeguarding passports and travel documents, etc