

## UNIT II

### AIRLINE TERMINOLOGIES:

#### **Add-on**

Add-ons are optional extras that you can purchase at an additional fee when booking a flight. This could be things like additional baggage or seat upgrades

#### **Aircraft**

Is a flying vehicle. Can include aeroplanes/airplanes, helicopters and airships.

#### **Airport**

Is where aircraft stay, or park, when not in flight. It is where they take-off and land from.

#### **Airport Code**

A code given to each unique airport. They are three digits in length. For example, LAX for Los Angeles International Airport.

#### **Arrival Area**

Within an airport, an arrival area is the area of the airport designated to incoming airplanes and their passengers. This is also known simply as Arrivals.

#### **ATC**

Is an acronym for Air Traffic Control and refers to the staff that work at ground level to manage the aircraft in airspace.

#### **Baggage**

Any type of luggage, including bags and suitcases that is taken on the airplane. See below for checked baggage and hold baggage to see the difference between them. The amount of baggage, whether checked or hold, will vary depending on the airline you are flying with. This can be found on your travel itinerary, or by checking with the airline you have chosen.

#### **Baggage Area**

Or baggage reclaim, is an area in airports dedicated to deal with checked baggage. These often have moving belts where checked baggage is placed by staff and rotated around so that passengers can collect their baggage.

#### **Base Fare**

This is the lowest price and most basic part of a ticket before any add-ons, taxes or extra charges have been added.

#### **Boarding Pass**

A ticket issued to the traveller after checking in, either online or in person at the airport. It has traveller information, seat number and flight information on it.

**Cabin**

The section of the aeroplane in which passengers travel. In bigger planes this is often split into areas of classes, with business and first at the front and economy at the back of the cabin.

**Carrier**

The company responsible for transportation of people or cargo. In terms of aviation, this is the airline.

**Carry-on Baggage**

The bags that you are allowed to carry on to the plane with you. There are restrictions in what you can take in this baggage with you, such as liquids or weapons, but be sure to check the airline that you are flying with to see their policy on this. There are also often restrictions in the amount or size of carry-on baggage that you are allowed, so be sure to check this too. It is also known as hand baggage. Read about the difference between carry-on baggage and a personal item here.

**Codeshare Flight**

A codeshare flight is a flight which is operated by another airline than the one you purchased with, whilst sharing the same flight number.

**Connecting Flight**

A connecting flight is a flight itinerary which takes at least one stop between the original destination and final destination

**Departure Area**

Also simply known as departures, is an area within an airport which is designated to outbound flights and leaving passengers.

**Direct Flight**

A direct flight is a flight between two places that doesn't change flight numbers. This means that it could have an intermediate stop so isn't non-stop as you may think, but doesn't require any change of aircraft for the passenger.

**Domestic Flight**

Or internal flight, is a flight which takes off and lands within the same country. For example when flying in the USA from New York to Miami.

**Duty-free**

Retail outlets found in the international zone of airports that are exempt from national taxes and duties, known as duty-free shops.

**Excess Baggage**

Luggage which has been checked-in but is bigger or heavier than the airlines baggage allowance. Paying for excess baggage is often very costly, so be sure to check the airline allowances before travelling and checking that you comply.

**Gates**

The area where passengers wait in the airport before boarding the plane.

**Intercontinental Flights**

An intercontinental flight is a flight that flies from one continent to another.

**Interline**

Interlining is where travellers use multiple different airline companies to reach their final destination. Sometimes there is a formal agreement between different airline carriers to streamline a connection, such as baggage transfer or joint ticketing. However, it can also be due to the traveller booking separately, and so they are responsible for their own luggage and connections.

**International Flight**

A flight in which the country that a plane takes off from is different to the country in which it lands in.

**Landing**

Is the final part of a flight journey, where it returns to ground level on the runway.

**Layover**

Similar to a stopover, where there is a break between connecting flights, but lasts less than 24 hours. For more information on short layovers, please visit our guide to short layovers.

**LCC**

A low-cost carrier (LCC), or low cost airline is a airline which is run at lower and discounted rates and fares. They aim to provide a standard seated ticket, with extras such as baggage at extra fees. An example of a LCC in the USA is Southwest Airlines.

**Long Haul Flight**

Refers to a flights of a certain length. Some airlines define a long haul flight by time, typically ranging from 6-12 hours, with other airlines who categorise by journey distance length, for example Air France who define long haul as intercontinental flights.

**Low Season**

Also known as off-peak season, is the less populated time to visit a destination.

**Surface Sector**

Is the same as open-jaw flights. Refers to having a section of travelling on the surface as opposed to the air, by any means chosen. For example, they may fly from Brasilia to Mumbai, then travel on the surface of the earth to Kathmandu, and then fly back to Brasilia.

**Take-off**

The part of the flight at the beginning of its journey. The plane goes from stationary to airbourne after a high-speed period on the runway.

### **Terminal**

An airport terminal is a building where passengers arrive to get on and off aircraft amongst other things such as checking in, dropping off or picking up luggage, and go through security. In some larger airports, there are more than one terminal so be sure to check on your booking reference or check-in details to know which terminal you have to go to, however, there is often transport provided between terminals. For example, JFK in New York have 8 terminals, each designated to a particular airline or group of airlines.

### **Transcontinental flight**

A transcontinental flight is a flight that flies from one side of a continent to another.

### **Unaccompanied Minor**

An unaccompanied minor is a child who is not escorted by an adult. Generally, children under 12 can not travel unaccompanied, and each airline has different rules regarding minors travelling alone, with some even providing escort services at a fee.

### **Wide Body Aircraft**

A wide body aircraft is a type of aircraft that can carry a large amount of passengers.

### **THREE LETTER CITY AND AIRPORT CODES:**

<b><u>CITY</u></b>	<b><u>CITY CODE</u></b>
Amsterdam	AMS
Auckland	AKL
Auckland	AKL
Buenos Aires	BUE
Cape Town	CPT
Colombo	CMB
Hong Kong	HKG
Honolulu	HNL
Jakarta	JKT
Karachi	KHI
Kiev	IEV
KualaLumpur	KUL
Montreal	YMQ
Moscow	MOW

Nairobi	NBO
New York	NYC
Osaka	OSA
San Francisco	SFO
Santiago de Chile	SCL
Singapore	SIN
Singapore	SIN
St. Petersburg	LED
Sydney	SYD
Tokyo	TYO
Toronto	YTO
Washington	WAS
Zurich	ZRH

**AIRLINE DESIGNATED CODE:**

<b><u>AIRLINE</u></b>	<b><u>COUNTRY</u></b>	<b><u>CARRIER CODE</u></b>
AMERICAN AIRLINES INC.	U.S.A.	AA
AIR CANADA	CANADA	AC
AIR FRANCE	FRANCE	AF
AIR NEW ZEALAND LTD.	NEW ZEALAND	NZ
AIR INDIA LTD.	INDIA	AI
CATHAY PACIFIC AIRWAYS LTD.	CHINA	CX
AIR CHINA LTD.	CHINA	CA
AEROMEXICO	MEXICO	AM

AUSTRIAN AIRLINES AG	AUSTRIA	OS
ALL NIPPON AIRWAYS CO., LTD.	JAPAN	NH
DELTA AIR LINES, INC.	U.S.A.	DL
EMIRATES SKY CARGO	U.A.E.	EK
GARUDA INDONESIA	INDONESIA	GA
JAPAN AIRLINES CO. LTD	JAPAN	JL
KLM ROYAL DUTCH AIRLINES	NETHERLANDS	KL
LUFTHANSA CARGO AG.	GERMANY	LH
MALAYSIA AIRLINES SYSTEM BERHAD	MALAYSIA	MH
PHILIPPINE AIRLINES, INC.	PHILIPPINES	PR
PAKISTAN INT'L AIRLINES	PAKISTAN	PK
QANTAS AIRWAYS LTD.	AUSTRALIA	QF
SRILANKAN AIRLINES LTD.	SRI LANKA	UL
SINGAPORE AIRLINES LTD.	SINGAPORE	SQ
SWISS INT'L AIR LINES LTD.	SWITZERLAND	LX
UNITED AIRLINES, INC.	U.S.A.	UA
VIETNAM AIRLINES	VIETNAM	VN
VIRGIN ATLANTIC	U.K.	VS

## **TYPES OF JOURNEY**

### **One Way Trip:**

A simple one way journey is travel using one way (OW) fares and has the following features:

The origin and the final destination are in different countries.

1. Routing: CAS  
NYC  
MEX

This journey consists of one fare component or pricing unit.

### **Round Trip:**

- ▶ A round trip (RT) is travel entirely by air from a point to another point and return to the original point, comprising two half round trip fare components only, for which the applicable half round trip fare for each component as measured from the point of unit origin, is the same for the routing travelled.
- ▶ A round trip has only two fare components i.e., the outbound and inbound components.
- ▶ The outbound fare need not be equal to the inbound fare.
- ▶ The unit origin and unit destination points are the same.
- ▶ For a journey with a single pricing unit, the COC is also the same as the destination country.

### **Anatomy of Journey:**

- ▶ Origin- The initial starting point and the first ticketed point in the routing. It is also a fare construction point and is usually in the country of commencement of travel (COC).
- ▶ Destination - The ultimate stopping place of the journey and as terminal point in the routing it is also considered a fare construction point or a fare break point.
- ▶ Intermediate point(s)- ticketed via point(s) in between consecutive fare construction points. Also called Transfer points that are further classified as either:

#### **1. Intermediate Stopover point:**

Which is a point where a passenger arrives at an intermediate point and is scheduled to depart later than 24 hours after arrival (local time). A stopover is arranged in advance and specified on the passenger ticket; or

#### **2. Intermediate no stopover point:**

Which is a point where the passenger arrives and departs within 24 hours. It is also known as a transfer connection or connecting point.

### **Fare component:**

A component or a portion of the itinerary between two consecutive fare construction points. Thus a journey may have one or more fare components.

**Pricing unit:**

A journey or part of a journey which is priced as a separate entity, i.e. capable of being ticketed separately.

OW sub journey: Part of a journey wherein travel from one country does not return to such country or which has an international gap.

**Return Sub journey** – Part of a journey wherein travel is from a point/country and return thereto and for which the fare is assessed as a single pricing unit using half RT fares, e.g., round trip, circle trip and open jaws.

**Sectors** - A portion of the journey comprised of legs or segments mostly used in reference to fare construction. This usually involves a pair of points.

Unit Destination- The final stopping place of a pricing unit.

Unit Origin – The initial starting point of a pricing unit.

- ▶ Sample RT routing: Mahe Island – Zurich – Mahe Island
- ▶ SEZ  
ZRH
- ▶ SEZ

**FUNDAMENTALS OF AIRLINE TICKETING:**

**CURRENCY RULES**

- Local Currency Fares

International fares are published in the Local Currency Fare which is normally the national currency of the country of commencement of international transportation. For example, international fares from Malaysia are denominated in Malaysian Ringgit which is the national currency of Malaysia.

However, there are groups of countries that express their Local Currency Fares in a currency other than their own national currency. These countries are divided into two main groups namely US dollar and Euro:

1. US dollar (USD) countries
2. Countries Publishing Fares in Euro

Additionally, passenger fares and excess baggage charges are established in euros for some countries that do not have the euro as their national currency. For example, the national currency in Russia is the Ruble (RUB)

**NUC Conversion Procedure**

In fare construction, it is sometimes necessary to add or compare fares. This process cannot be done by using different currencies. For example, TPE - KHI - BKK would need two fares, namely:

TPE - KHI fare	+	KHI - BKK fare
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If the fare out of TPE is in New Taiwan Dollar (TWD) and the fare out of KHI is in Pakistan Rupee (PKR), it would not be possible to add the two fares together. For this purpose, a



standard unit for fares have been derived from each of the local currencies. This is called Neutral Unit of Construction or NUC. To facilitate easier fare construction, fares are published in local currency and the equivalent NUCs.

At the outset, all fare construction is done in NUC but at the end of the formula the total sum in NUC must be converted into local currency at the NUC Conversion Factor of the country of commencement of travel. This factor is better known as the IATA Rate of Exchange (IROE). You will find a table of IATA Rates of Exchange for training purposes in the 'Fares and Fares Rules' tab of the PATTECD .

It is also called the NUC Conversion Factors Table. The table lists country names in alphabetical order with each country's IROE. The IROE table displays the currency name, the alpha/numeric code for each country followed by the IATA Rate of Exchange, a column for rounding units of local currency fares and another for other charges.

In the next to last column, the table displays the number of digits that must appear to the right of the decimal point of the local currency fare when rounding is completed. The decimal requirement is only used when showing entries in the Fare and Equivalent Fare Paid boxes of tickets. Note numbers are displayed in the last column of the table. The note numbers are defined at the bottom of the IROE table. It is important to read these notes when required as they define exceptional instructions for certain currency conversions.

When a country displays two currencies, i.e. its native currency and the US Dollar, read the accompanying notes to find out which currency must be used as the Local Currency Fare. For example, in Figure 5.3, Ethiopia shows two currency codes: the USD and the ETB. However, Note 2 alongside the ETB states that international fares should be quoted in US Dollars instead of the Birr. Hence, the IROE for the Ethiopian Birr must be ignored when calculating international fares from Ethiopia. The IROE can be used in two ways:

The IROE can be used in two ways:

1. To convert the Local Currency Fare (LCF) into NUC, use division.

Example: LCF into NUC:

MUC ABZ Y EUR 858.00 ÷ IROE 0.761600 (based on COC: Germany)  
= NUC 1126.57

2. To convert the NUC into local currency, use multiplication.

Example: NUC into NZD:

AKL SIN Y NUC 1893.61 x IROE 1.463335 (based on COC New Zealand)  
= NZD 2771.00

### **POINT TO POINT FARE CALCULATION**

Bearing in mind the rounding procedure and other currency regulations, you are now ready to integrate these rules with the basic steps in fare calculation.

First you have to establish what type of fare the passenger wants to purchase. Then apply the following basic steps in order to calculate the fare for direct routes or for point to point routings.

Step	OW Application
FCP	Identify the fare construction points such as the origin and destination of the fare component.
NUC	Quote the fare in Neutral Unit of Construction from the origin to the destination following the appropriate global indicator, fare type and carrier code.
RULE	Identify the rule number, if any. Follow relevant conditions especially those regarding seasonality, time of week, periods of application, stopover and transfers and flight application.
AF	Determine the applicable fare in NUC which is the result of above steps.
IROE	1. Multiply the NUC total by the IATA Rate of Exchange based on the COC or country of commencement of international travel. 2. Drop trailing zeroes, if any.
LCF	1. Round the resulting Local Currency Fare. Follow any accompanying notes that give further instructions on how to round off. 2. Then show the exact number of decimal places required for the currency.

The next couple of examples will outline these steps again to give you a practical understanding of how the formula is applied from start to finish. The examples will also demonstrate the corresponding fare breakdown in the fare calculation area of the ticket.

Example 1:

Fare Type: Normal Economy

Journey: CPT

AMS SA

Fare Construction Steps:

FCP CPT AMS

NUC EH Y OW 2317.28

RULE Y046

AF NUC 2317.28

IROE X 7.422480

LCF ZAR 17199.96 ~ (H10) ZAR 17200

Fare Calculation Box:

Fare Calculation

CPT SA AMS2317.28NUC2317.28END ROE7.422480
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Example 2:

Journey: YMQ

BOM AC

Fare Construction Steps:

FCP YMQ BOM

NUC Y AT OW 2370.75

RULE G9710

AF NUC 2370.75

IROE X 1.177260  
LCF CAD 2790.9 ~ (N1) CAD 2791.00  
Fare Calculation Box

YMQ AC BOM2370.75NUC2370.75END ROE1.177260

The LCF may be shown in the fare calculation to reflect the applicable single sector published fare for YMQ to BOM.

YMQ AC BOM2370.75CAD2791.00END

## **SPECIFIED ROUTINGS**

A point-to-point routing is composed of only two ticketed points. Such routes are calculated using direct route fares based on the shortest route operated by any carrier in any direction between such points. In this unit we are introduced to journey pricing for indirect routings.

### Application of Routings

The following is an example of a direct routing with two ticketed points (SIN and ZRH), travelled on the shortest route operated:

SQ 346 Y 02SEP 5 SINZRH HK1 2 2330 0630+1 E\*

The fare for this SIN to ZRH direct routing is assessed using a point-to-point (SIN to ZRH) roundtrip fare. No mileage fare calculation is required to price direct routing journeys.

The same journey could be travelled indirect:

LH 791 Y 02SEP 5\*SINMUC 2305 0550 03SEP E 0 343

LH2366 Y 03SEP 6\*MUCZRH 0735 0830 03SEP E 0 319

To price this trip as an indirect SIN-ZRH routing, a mileage fare calculation is required unless the routing qualifies as a specified routing. Now we'll examine indirect routings where point-to-point fares apply when

the indirect routing qualifies as a Specified Routing. A Specified Routing is an exception to the use of the Mileage System. Indirect routings that qualify as Specified Routings do not require mileage (TPM vs. MPM) calculation, even if the routing exceeds the highest mileage surcharge of 25M (mileage surcharge is explained in Unit 7). Eligible routings are also exempt from checks such as the Higher Intermediate Point (HIP) check. A Specified Routing is an indirect routing that can be priced at a direct fare. Specified Routings are defined in either

- the table of Specified Routings, or
- Specified Routing section with numeric references

When the routing matches the conditions of a Specified Routing, you may quote the published direct fare from origin to destination via the points listed in the Specified Routing table subject to the following conditions:

1. The fare construction points are the same as the origin and destination

2. The route is via the intermediate points specified. Cities must be in the same sequence as the list shown from left to right or right to left. No additional intermediate point(s) can be included. (You may delete via point(s) but not add more points!)
3. Where two or more cities are separated by the “/” symbol, only one of them may be selected as an origin, destination or via point.
4. Where two cities are separated by the “-” symbol, both cities may be used as via points.
5. Any notes displayed in the Specified Routing table, if any, are followed.
6. The routing is read from left to right or v.v. Although route options appear to be shown in one direction only, for travel in the opposite direction, you must follow the sequence in the reverse direction.

#### Fare Calculation Formula, One Way, HIP, BHC

Bearing in mind the rounding procedure and other currency regulations, you are now ready to integrate these rules with the basic steps in fare calculation. First you have to establish what type of fare the passenger wants to purchase. Then apply the following basic steps in order to calculate the fare for direct routes or for point to point routings.

Step	OW Application
FCP	Identify the fare construction points such as the origin and destination of the fare component.
NUC	Quote the fare in Neutral Unit of Construction from the origin to the destination following the appropriate global indicator, fare type and carrier code.
RULE	Identify the rule number, if any. Follow relevant conditions especially those regarding seasonality, time of week, periods of application, stopover and transfers and flight application.
AF	Determine the applicable fare in NUC which is the result of above steps.
IROE	1. Multiply the NUC total by the IATA Rate of Exchange based on the COC or country of commencement of international travel. 2. Drop trailing zeroes, if any.
LCF	1. Round the resulting Local Currency Fare. Follow any accompanying notes that give further instructions on how to round off. 2. Then show the exact number of decimal places required for the currency.

The next couple of examples will outline these steps again to give you a practical understanding of how the formula is applied from start to finish. The examples will also demonstrate the corresponding fare breakdown in the fare calculation area of the ticket.

#### **Fare Construction:**

Example 1:

Fare Type: Normal Economy

Journey: CPT  
AMS SA  
Fare Construction Steps:  
FCP CPT AMS  
NUC EH Y OW 2317.28  
RULE Y046  
AF NUC 2317.28  
IROE X 7.422480  
LCF ZAR 17199.96 ~ (H10) ZAR 17200  
Fare Calculation Box:  
Fare Calculation

CPT SA AMS2317.28NUC2317.28END ROE7.422480

In the fare breakdown shown above, the fare basis code may optionally be shown after the amount of the applicable fare.

Example 2:  
Journey: YMQ  
BOM AC  
Fare Construction Steps:  
FCP YMQ BOM  
NUC Y AT OW 2370.75  
RULE G9710  
AF NUC 2370.75  
IROE X 1.177260  
LCF CAD 2790.9 ~ (N1) CAD 2791.00  
Fare Calculation Box

YMQ AC BOM2370.75NUC2370.75END ROE1.177260

The LCF may be shown in the fare calculation to reflect the applicable single sector published fare for YMQ to BOM.

YMQ AC BOM2370.75CAD2791.00END

### **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 ½ 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:**

<b>Steps</b>	<b>For each fare component</b>
<b>FCP</b>	Identify fare construction points of the fare component after selecting a fare breaking point
<b>NUC</b>	Quote the Neutral Unit of Construction from the origin to the destination
<b>RULE</b>	Follow the conditions of the rule
<b>MPM</b>	Note the maximum distance between the FCPs.
<b>TPM</b>	Add up the TPMs and compare with the MPM.
<b>EMA</b>	If TPM is higher than MPM look for a TPM deduction.
<b>EMS</b>	If the EMA is nil or insufficient determine the Excess Mileage surcharge by dividing TPM by MPM.
<b>HIP</b>	Look for a Higher Intermediate point fare in the direction of the fare component
<b>AF</b>	Determine the resulting applicable fare in NUC
<b>SUBTTL</b>	Get the sum of outbound and inbound AF NUCs
<b>CHECK CTM</b>	Look for the highest RT NUC from the origin to the highest rated stopover point in the whole journey.
<b>TOTAL</b>	Get the sum of all the NUCs including Plus ups
<b>IROE</b>	1. Multiply NUC by the IATA rate of exchange 2. Drop trailing zeroes
<b>LCF</b>	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	OUTBOUND 1231.50		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

## **SPECIAL FARES:**

Reduced fares but with certain travel restrictions are called as special fares. It is based on

- Stopovers
- Minimum Stay requirement
- Maximum Stay

Airlines will fill airplane seats with a variety of these fare types.

### **Apex fare**

These fares are discounted international fares. Apex fares are usually purchased in advance – this is called advance purchase. For example, you need to buy the ticket at least 7, 14, or 21 days before departure. They will have some other restrictions attached, such as being non-refundable and fees for any changes.

### **Discount fare**

These fares are cheaper as they are usually available for a limited time, like a 'seat sale'.

Discount fares can have a long list of limitations like the:

- Travel dates – e.g. July – August only
- Minimum stay – e.g. 2 nights

- Maximum stay – e.g. 3 months
- No refunds

### **MISCELLANEOUS CHARGES ORDER:**

A miscellaneous charges order (MCO), also known as miscellaneous purpose document (MPD), is an accountable IATA document, similar to an old-style airline ticket, used to process the payment of travel arrangements. They are issued by airlines, but normally pay for services other than airfares. A MCO may be used to purchase most services offered by airlines, hotels and tour operators.

### **COUPONS:**

In common with older airline tickets, MCOs had a number of passenger coupons, (typically 1, 2 or 4), as well as valueless coupons for the agency's records and the airlines' interline clearing house.

There were two main types of MCO, those with a specific value for each coupon, and those with the residual value moving to the next coupon. These were often used where the cost of a service would not be known in advance – such as paying for excess baggage.

### **MPD(MULTIPLE PURPOSE DOCUMENT)**

Multiple purpose document is one of the most versatile accountable documents. It is an excess baggage ticket, special service ticket, tour order, PTA, MCO and agents refund voucher all rolled into one. Thus it can be used for manual and automated issuance of interline accountable traffic documents other than the ticket.

MPD is available in four different formats which are:

- Automated carrier carbonised MPD
- Automated neutral carbonised MPD
- Manual carrier carbonised MPD
- Manual neutral carbonised MPD

The MPD is valid for one year from date of issue.

### **PASSENGER TICKETING AND BAGGAGE:**

The procedures for transporting, handling, and clearing passenger baggage are not internationally standardized. Airlines set their own free baggage allowances and charges based on commercial considerations. The way baggage is handled, what articles are permitted, and the amount of luggage allowed may differ from country to country, airline to airline, class to class and between international and domestic routes. Therefore, the information presented in this unit is a guide for travel professionals and their customers travelling on flights operated by most international airlines.

IATA defines baggage as follows:

“Articles, effects, and other personal belongings of passengers destined to be worn or used by them or necessary for their comfort or convenience during the journey”.

Passenger baggage is transported in two ways: as **unchecked** baggage stored by the passenger in the aircraft cabin; or as **checked** baggage which is registered at check-in and stored by airport baggage handlers in the aircraft hold. Each airline applies its own baggage allowance rules.

Every airline establishes its own rules on what personal items passengers are permitted to travel with. Airlines also establish the number of baggage pieces, size and weight that can be carried free of charge. Every airline can set its own baggage allowances and fees, although many apply the same or similar allowance policies and rules for competitive reasons.

### **Unchecked Baggage Allowance**

In addition to the checked baggage allowance, airlines may allow passengers to hand-carry baggage small enough for storage in the aircraft's overhead compartments (above the passenger seat) or under a passenger seat.

remains with the passenger during the flight. Unchecked baggage is accepted without charge, but there are limits to the quantity, dimensions, weight and contents of unchecked baggage for every cabin class. The generally accepted dimensions for carry-on baggage are a maximum length 56 centimeters-cm (equivalent 22 inches-in), width 45 cm (18 in), depth 25 cm (10 in). The sum of the 3 dimensions of each carry-on bag should not exceed 115 cm (45 in) including wheels, handles and side pockets. Baggage in excess of these measurements must be transported as checked baggage in the aircraft hold.

There are limitations on the amount of liquid, creams, aerosols and gels that can be carried on board to a maximum of 100 ml per container. All containers must fit into a one-liter plastic bag. Just before approaching the security screening point at an airport, passengers carrying containers of liquids, creams aerosols and gels must remove them from their personal carry-on baggage. They must be presented in one clear transparent resealable plastic bag (measuring no more than one liter). These must be carried separately from other carry-on items for presentation at airport security screening checkpoints before entering the airport departure area. Space on any aircraft is limited. There may be occasions when there is still not enough room even after having met the size limitations. It is therefore wise to advise customers to only pack items required during the flight in their carry-on baggage.

### **Checked Baggage Allowances**

Checked baggage is baggage that is too large to store in the aircraft cabin. Checked baggage is stored and transported in the aircraft hold. The aircraft hold is the part of an aircraft located in the aircraft's underbelly. The airline is responsible for the safe transportation of checked passenger baggage.

Each airline sets its checked baggage allowance rules, including the maximum number, weight, and size of checked bags they will accept. In the airline industry, the number of checked bags is expressed as "pieces," and so an airline that permits passengers to check 2 bags expresses this allowance as "2 pieces." A bag's size is expressed as the total sum of

the bag length, width, and height. A checked bag that measures 55 cm in length, 35 cm in width and 22 cm in height is said to have total dimensions of 112 cm (55+35+22).

Each airline publishes what is not permitted (prohibited) in checked baggage, as well as a list of items that can substitute for a checked bag. These items consist of various sports equipment and musical instruments. One airline may accept ski equipment as free checked baggage while another may refuse to accept it as free checked baggage. Each airline sets the fees for transporting extra bags or bags that exceed the weight and size limitations. There are restrictions imposed by all airlines on the weight, length, width, and height per bag. Extra bags or larger, heavier bags will either be refused or accepted with a fee. It is necessary to verify checked baggage allowances with each airline.

The price of an airline ticket includes the transportation of the passenger. It sometimes includes the transportation of the passenger's checked baggage. It is increasingly commonplace for a fee to be charged for the transportation of checked baggage. Free baggage allowance varies by airline, routing and class of fare paid. Members of airline loyalty or frequent flyer programs may be granted the privilege of extra baggage allowances without fees. Airlines set their own passenger baggage transportation policies on their services, deciding their own allowances and charges. It is critical to check with individual airlines for accurate and up-to-date information. All airlines publish their baggage allowance rules and policies on their website and in GDS systems. Refer to the following sample airline baggage webpages and compare their baggage allowance policies.

## **BSP**

### Aims of the BSP

BSP aims to simplify the selling, reporting and remitting procedures to airlines by the IATA Accredited Passenger Sales Agents. The key feature of the BSP is the neutral Standard Traffic Document which is used by IATA Accredited Travel Agents on behalf of all participating BSP airlines represented. BSP uses the services of electronic Data Processing Centres (DPC) to compute:

- billings and monetary amounts which Agents remit to the appointed Clearing Bank; and
  - the division of these amounts by the Clearing Bank for settlement amongst the Airlines.
- By using BSP procedures, both the airlines and Agents improve service standards while saving time, effort and costs.

### **BSP Background**

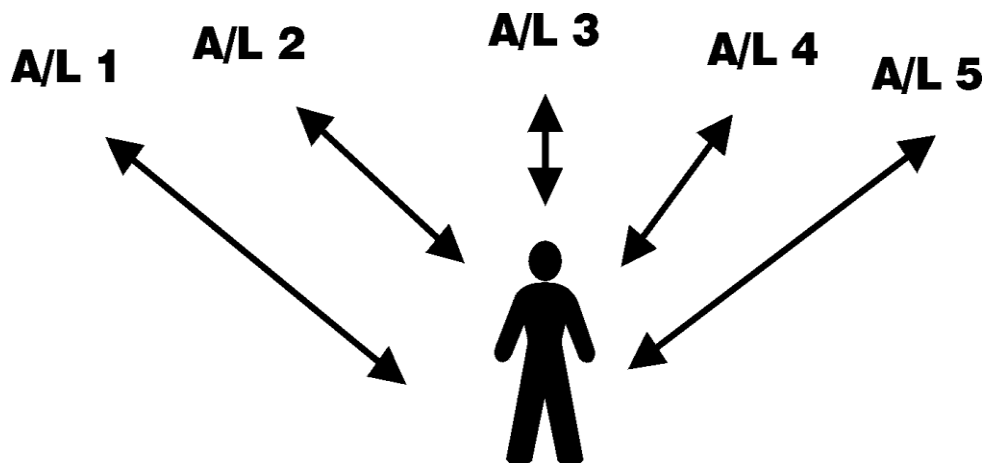
IATA has been providing settlement systems services to the travel industry since 1971. The IATA Settlement Systems (ISS) provide cost-effective settlement services to both the airline industry and other travel, transportation and tourism industry sectors. The ISS network is made up of Billing and Settlement Plans (BSP) on the passenger side and Cargo Accounts Settlement Systems (CASS) on the cargo side. The BSPs and CASSes provide simplified selling, reporting and settlement of sales made by IATA Agents and certain other sales intermediaries, as well as improved financial control and cash flow for Participating airlines.

The BSP was formerly called the Bank Settlement Plan because of the introduction of an appointed Clearing Bank for each BSP country. Now BSP is called the Billing and Settlement Plan because it continues to promote a standardised and well tested system which simplifies the settlement of tickets to the airlines through the Clearing Bank.

### **Advantages of BSP to Travel Agents**

The BSP reduces Airline distribution costs and at the same time provides Agents with a cost-effective system for selling the products and services of those Airlines that elect to participate in BSP. The existence of BSP enables Airlines and Agents alike to save on administrative overheads and traffic documentary inventory costs, whilst streamlining their services to the customer.

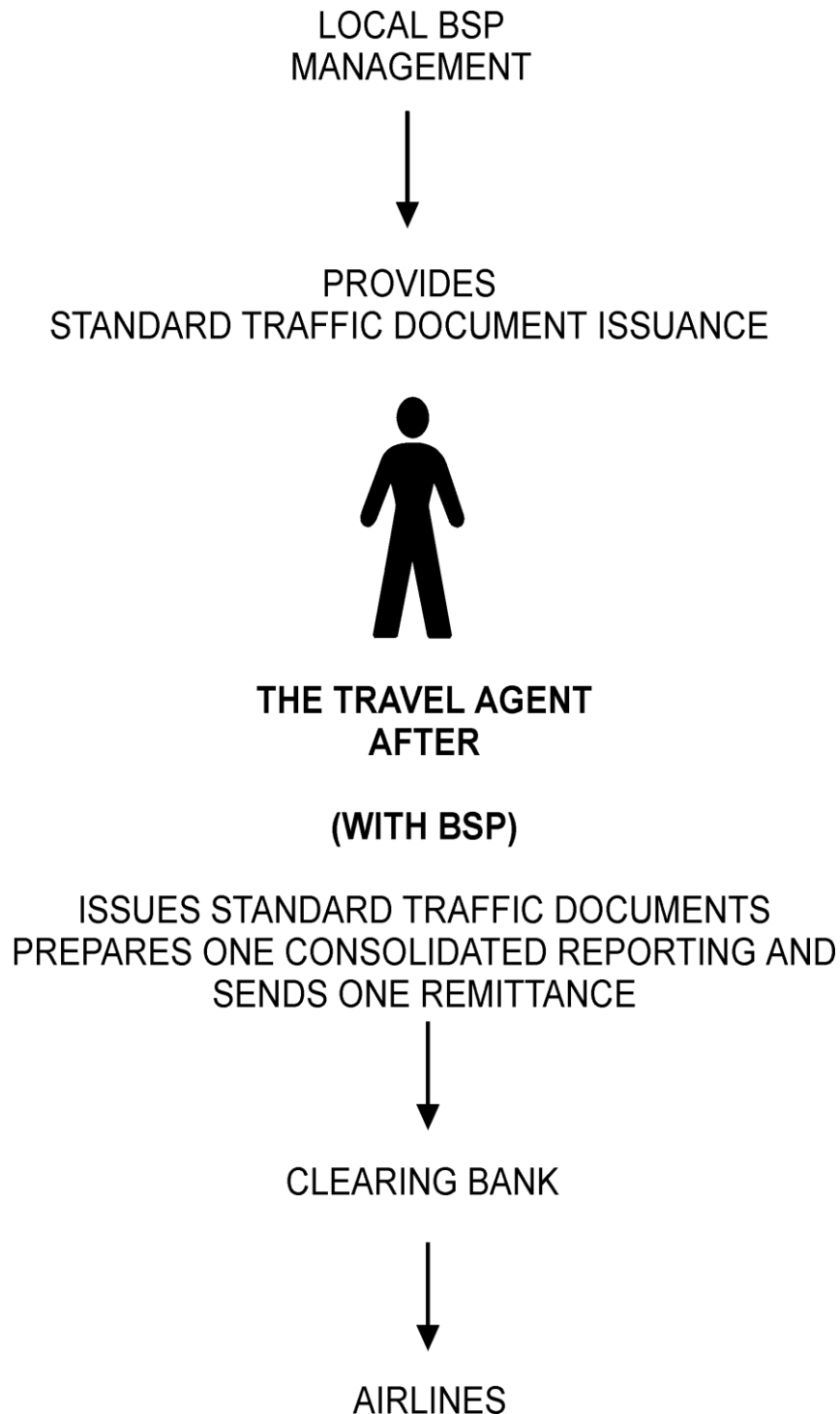
It provides more time for BSP participants' selling activities since the administrative burden on management is greatly reduced by the simplification of the issuance, controlling and reporting of sales and settling of monies due. Airline participation in a BSP is not limited to IATA member airlines but is open to all airlines serving the country or area concerned as long as they agree to the rules of the BSP. Without BSP, travel agents had to sell, secure and remit individual airline (A/L) tickets and sales reports to the different airlines.



**THE TRAVEL AGENT  
BEFORE**

**(WITHOUT BSP)**

**INDIVIDUAL AIRLINE TICKET ISSUANCE,  
MULTIPLE SALES REPORT AND SEPARATE  
REMITTANCE TO EACH AIRLINE**



Other major benefits from participating in the IATA BSP include:

- a centralized source from which these Traffic Documents are supplied which automates their provision;
- simplified paper work and less overhead costs by the replacement of multiple sales reports by a single Agency Sales Transmittal (AST) submitted to a central BSP Data Processing Facility (DPC);
- single set of Standard Administrative Forms to be used on behalf of all BSP Airlines;
- one central point (processing centre) to which reports and remittances are sent;

significantly improved cash flows;

- better financial controls and reduced exposure to losses from agency failures;
- better sales and marketing intelligence;
- more targeted sales efforts;
- easier introduction of new technologies such as the new BSPLink. As a BSP travel agent, you would be able to:
  - report sales made on behalf of BSP airlines to a central processing center that.
  - produces one billing for all sales in a given period, requiring one remittance per agent per remittance period.
  - computes the division of agents' remittances to each BSP airline, resulting in a single statement.

## BSP Operation

### Stages

In a nutshell, the BSP operation can be described as follows:

#### Issuing airline tickets

The preference of BSP Airlines is that all Agents have access to Computer Reservations Systems (CRS), Global Distribution Systems (GDS), or other IATA approved Ticketing Systems. In many cases Agents already issue electronic tickets using an IATA approved Ticketing System. All Travel Agents who wish to be IATA Accredited Agents must have the capability of issuing automated STDs.

## Reporting procedures

At the end of each reporting period, the Agent prepares a single AST covering all BSP sales for that period. This AST form, together with all supporting documents (audit coupons and other accountable documents) is then forwarded to the DPC. In some BSPs, the Agent is able to send this data electronically which is the preferred method of sales reporting.

### Processing/Billing

Once the AST is received, the DPC:

- captures ticket data from the coupons sent in by the Agent and/or from data files that have been transmitted by the CRS;
- processes all relevant data and produces an "Agents Billing Analysis" for each Agent. This analysis is compiled from the information of one or more reporting periods;
- forwards to each BSP Airline an analysis of sales made by Agents on its behalf, extracted from the ASTs received from the Agent;
- monitors STD stock levels and provides replenishment information as necessary.

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## Remittance

The Agent makes one net periodic remittance covering all of its BSP transactions, made on behalf of all BSP Airlines. The ISS preferred method of payment is by direct debit.

## **Airline accounting procedures**

Quality control checks on the billing analysis are carried out by the accounting department of the BSP airlines concerned. Any discrepancies or queries arising there from are addressed directly to the agent, usually in the form of an agency debit or credit memo. The stub of the debit/credit memo will be included in the next sales billing for the necessary adjustment to the original billing.



