



Recut - 2008 Local Management Fees and Central &  
Regional Fees

*Information for ISS Participating Airlines*

July 2009

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*Charging Structure - Communiqué No. 14*

## **2008 Local Management Fee and Central & Regional Management Fee Recut**

Despite the difficulties the airline industry was facing already back in 2008, we continued our efforts to improve processes and to streamline our back office functions. The goal was to be more efficient and to serve our airline customers in the best possible way with an emphasis on quality, speed, and recognizing the needs of our airline participants.

Our efforts were geared towards cost cutting measures and the aim to fully utilize new processes that would result in the harmonization of services with higher quality in a professional and proactive manner.

Furthermore, it was agreed to reduce the overhead costs through a contribution from our commercial products, which are derived from the BSP operations.

It is with great pleasure that we can announce the finalisation of the 2008 recut of Local Management Fees (LMFs) and Central & Regional Management Fees (C&R). During 2008 we invoiced your airline based on budgeted BSP costs and budgeted actual transactional statistics and market participation. As a result of the above-mentioned cost cutting measures and contribution from the commercial products, we were able to reduce the actual cost of BSP operations to the benefit of the airline community. The new calculation is based on actual BSP net costs and actual transactional statistics and market participation, which in the majority of cases will lead to a refund to the airlines. **The total LMF refund for 2008 amounts to 5.5 million USD, and the total C&R refund amounts to 4.2 million USD.**

If you have any questions on the recut, please do not hesitate to contact Michael Schneider, Head of Central Billing at [schneiderm@iata.org](mailto:schneiderm@iata.org).

Yours sincerely,



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