5th World Financial Symposium

17 – 20 September 2018

Madrid Marriott Auditorium Hotel & Conference Center

Break-out session

Lowest Applicable Fare Process

Revenue Accounting Manual Chapter A2 Paragraph 3

FARES TO BE USED IN BILLINGS

The billing airline is entitled to the applicable fare or prorated portion thereof as correctly published in official tariffs such as Tariff Handbooks, Automated Fare Quote systems or electronic sources, (ATPCO, SITA, Global Distribution Systems, etc.)

Effective from: 01 November 2018

The Applicable fare shall be based on the published Fare Basis as indicated on the ticket. Should the Fare Basis not be found in a tariff available to the general public it shall be assumed that the fare is of a "private" type. Unless bilaterally agreed between carriers, a "private fare" type will not be deemed an "applicable fare". When a carrier lifts and bills the ticketing carrier for a private fare type it will do so based on the lowest applicable published fare of the ticketed fare owning carrier as selected in accordance with Passenger Tariff Resolution 017ha Fare Selection Criteria. Should no such fare be filed in a Public Tariff, then the lowest sector fare published by the receiving carrier will be used.

For the purpose of defining "Applicable" the original ticketing requirements shall be recognized, provided all automated parameterized fare conditions and requirements of the fare are met.

Note: *The RBD is not to be taken into consideration when determining the lowest applicable fare.*

What is the purpose of this paragraph?

- We should bill the published fare on the ticket, subject to it being present & correct (if not, go to A2 1.1.1)
- We cannot bill a private fare (unless we have bilateral agreement/SPA)
- Therefore we need to instead find the lowest applicable published fare.
- …and if there is no published fare, bill a sector fare instead.

Let’s look in more detail…

“Should the fare Basis not be found in a tariff available to the general public”

…means:

If you can’t find the fare in any fare search in a GDS or tariff source available to the industry

```
FQDARNLON/ABA/D16MAY18/R.02MAR18
ROE 8.407640 NEAREST 1.00 SEK
16MAY18**30MAY18/BA STOLON/NSF;EH/TPM   863/MPM  1035
LN FARE BASIS     OW   SEK  RT  B PEN  DATES/DAYS    AP MIN MAX R
01 OAP4V2H                 760 O NRF   -     -    @60@SU   -  R
02 OAP6V2H                 760 O NRF   -     -    @60@ 4   -  R
03 GW6V2H                  832 G NRF   -        60  @ -   SD R
04 GW7V2H                  832 G NRF   -        70  @ -   SD R
05 OM0V2H                  860 O NRF   -     -  @  @SU@  -  R
06 OM4V2H                  860 O NRF   -     -  @  @ 4   -  R
07 OV2H                    976 O NRF   -     -  @  @ -   -  R
08 OV2HO          586        O NRF   -     -  @  @ -   -  R
09 QM0V2H                 1250 Q NRF   -     -  @  @SU@  -  R
10 QM4V2H                 1250 Q NRF   -     -  @  @ 4   -  R
11 IW6V2H                 1300 I NRF   -        60  @ -   SD R
12 IW7V2H                 1300 I NRF   -        70  @ -   SD R
13 SM4V2H                 1300 S NRF   -     -  @  @ 4   -  R
14 SWV2H                  1300 S NRF   -        @  @ 1   3 R
15 QV2H                   1380 Q NRF   -     -  @  @ -   -  R
16 QV2HO          828        Q NRF   -     -  @  @ -   -  R
17 NM0V2H                 1656 N NRF   -     -  @  @SU@  -  R
                                                PAGE  1/ 4
```

“Unless bilaterally agreed between carriers, a private fare type will not be deemed an applicable fare”

…means:

You should check for an SPA between you and the ticketing airline
if no SPA applies, then you need to find a published fare to use for billing

Is the fare on the ticket published?

```
BA AUDIT COUPON
                                        STO/STO     8049250   02MAR18
VALID BA ONLY/NON REF BA STAFF HOTLINE   R9LRAJ/1A
                                   1006342
                                        SYSTEM:1A
                                                          0001AA

TICKET 125 8770017003
  STOCKHOLM      ARN BA 775  G 16MAY 1330 OK GB2H          16MAY16MAY1PC
O LONDON         LHR BA 780  G 24MAY 1320 OK GB2H          24
O STOCKHOLM      ARN

STO BA LON24.97BA STO24.97NUC49.94END ROE8.407640

BASE:  SEK        420

PAID TAXES

NEW TAXES:
SEK 60LJ S    0SVC SEK 156YA   SEK 149GB   SEK 221UB

TOTAL:        1,016.00

FOP:   SEK       1006 N
FOP:   SEK         10 N

                125 8770017003
```

```
OK GB2H
OK GB2H
```

You'll find a fare basis code matching one in a tariff source

```
STO BA LON24.97B
```

You'll find a value in the fare component matching one in a tariff source

…but the Fare Component will **not** display:

"STO BA LON M/IT"	**= Private Fare**
"STO BA LON B/IT"	**= Private Fare**
"STO BA LON 0.00"	**= Private Fare**
"STO BA LON"	**= Private Fare**

```
FQDARNLON/ABA/D16MAY18/R,02MAR18
ROE 8.407640 NEAREST 1.00 SEK
16MAY18**30MAY18/BA STOLON/NSP;EH/TPM   863/MPM  1035
LN FARE BASIS    OW   SEK  RT   B PEN  DATES/DAYS   AP MIN MAX R
01 OAP4V2H                 760 O NRF   -     -   @60@SU   -  R
02 OAP6V2H                 760 O NRF   -     -   @60@ 4   -  R
03 GW6V2H                  832 G NRF   -       6@  @ -   SD R
04 GW7V2H                  832 G NRF   -       7@  @ -   SD R
05 OM0V2H                  860 O NRF   -     -  @  @SU@  -  R
06 OM4V2H                  860 O NRF   -     -  @  @ 4   -  R
07 QV2H                    976 Q NRF   -     -  @  @ -   -  R
08 QV2HO          586        Q NRF   -     -  @  @ -   -  R
09 QM0V2H                 1250 Q NRF   -     -  @  @SU@  -  R
10 QM4V2H                 1250 Q NRF   -     -  @  @ 4   -  R
11 IW6V2H                 1300 I NRF   -       6@  @ -   SD R
12 IW7V2H                 1300 I NRF   -       7@  @ -   SD R
13 SM4V2H                 1300 S NRF   -     -  @  @ 4   -  R
14 SWV2H                  1300 S NRF   -       @  @ 1    3 R
15 QV2H                   1300 Q NRF   -     -  @  @ -   -  R
16 QV2HO          828        Q NRF   -     -  @  @ -   -  R
17 NM0V2H                 1656 N NRF   -     -  @  @SU@  -  R
                                                PAGE  1/ 4
```

Native Keypad

Is the ticketed published fare valid?

Check the ticketed journey meets the requirements of the fare rules, using full E-ticket information, (read RAM Chapter A2 para 1.1)

If it’s not a valid published fare, then….

…You need to find the applicable published fare

Step 1 – find the fare owner

"When a carrier lifts and bills the ticketing carrier for a private fare type it will do so based on the lowest applicable published fare of ***the ticketed fare owning carrier*** *as selected in accordance with* ***Passenger Tariff Resolution 017ha Fare Selection Criteria****."*

- ***ticketed fare owning carrier* = use the info on the ticket to determine the fare owner**

- ***Passenger Tariff Resolution 017ha*** *= use the resolution to help you determine the fare owner*

This is important for multi-sector, multi-airline journeys within a fare component.

Step 2 – find the lowest applicable fare

The fare has to be the lowest published fare that permits all the aspects of the journey including:

- *ticket issue date*
- *origin and destination*
- *min/max stay*
- *Cabin of travel*
- *advance purchase*
- *correct season*
- *correct day of week*
- *routing*
- *airlines in the routing*
- *etc…*

*But **<u>not</u>** the RBD on the ticket*

*If it is an INVOL reroute, you must use the details or the **<u>original</u>** ticket and journey.*

…Some useful tips (1 of 2)

```
FQDARNLON/ABA/D16MAY18/R,02MAR18
ROE 8.407640 NEAREST 1.00 SEK
16MAY18**30MAY18/BA STOLON/NSP;EH/TPM   863/MPM  1035
LN FARE BASIS     OW    SEK  RT    B PEN  DATES/DAYS    AP MIN MAX R
01 OAP4V2H                  760 O NRF     -      -    @60@SU   -  R
02 OAP6V2H                  760 O NRF     -      -    @60@ 4   -  R
03 GW6V2H                   832 G NRF     -         6@  @ -   SD R
04 GW7V2H                   832 G NRF     -         7@  @ -   SD R
05 OM0V2H                   860 O NRF     -      -   @  @SU@  -  R
06 OM4V2H                   860 O NRF     -      -   @  @ 4   -  R
07 OV2H                     976 O NRF     -      -   @  @ -   -  R
08 OV2HO           586            O NRF     -      -   @  @ -   -  R
09 QM0V2H                  1250 Q NRF     -      -   @  @SU@  -  R
10 QM4V2H                  1250 Q NRF     -      -   @  @ 4   -  R
11 IW6V2H                  1300 I NRF     -         6@  @ -   SD R
12 IW7V2H                  1300 I NRF     -         7@  @ -   SD R
13 SM4V2H                  1300 S NRF     -      -   @  @ 4   -  R
14 SWV2H                   1300 S NRF     -         @  @ 1    3 R
15 QV2H                    1380 Q NRF     -      -   @  @ -   -  R
16 QV2HO           828            Q NRF     -      -   @  @ -   -  R
17 NM0V2H                  1656 N NRF     -      -   @  @SU@  -  R
                                                     PAGE  1/ 4
|
```

Run a complete fare quote, including
Fare owning carrier, travel and sales dates

A lot of the rules can be found on this one screen

- Advance purchase
- Min stay
- Max stay
- Return/one way

…Some useful tips (2 of 2)

```
FQDLONANU/ABA/D1SEP18/R,13JUL18
ROE 0.747488 NEAREST 1.00 GBP
01SEP18**15SEP18/BA LONANU/NSP;AT/TPM  4093/MPM  4911
LN FARE BASIS     OW    GBP  RT    B PEN  DATES/DAYS    AP MIN MAX R
01 OLXT57B6                  174 O NRF     -      1234@ 7@SU@ 12M R
                                       S24AUG  12OCT
02 OLWT57B6                  204 O NRF     -       567@ 7@SU@ 12M R
                                       S24AUG  12OCT
03 QLXC50B6                  207 Q NRF     -      1234@  @SU@ 12M R
                                       S24AUG  12OCT
                                       S03SEP  19OCT
04 NLXC50B6                  227 N NRF     -      1234@  @SU@ 12M R
                                       S24AUG  12OCT
                                       S03SEP  19OCT
05 OLXT57M6                  234 O NRF     -      1234@ 7@SU@ 12M R
                                       S24AUG  12OCT
06 QLWC50B6                  237 Q NRF     -       567@  @SU@ 12M R
                                       S24AUG  12OCT
                                       S03SEP  19OCT
                                                   PAGE  1/15
```

Run a complete fare quote, including
Fare owning carrier, travel and sales dates

This screen shows examples of…

- Day of week restriction
- Permitted travel periods

Checking detailed rules

```
FQN1
**  RULES DISPLAY  **
01SEP18**15SEP18/BA LONANU/NSP;AT/TPM  4093/MPM  4911
LN FARE BASIS    OW   GBP  RT   B PEN  DATES/DAYS   AP MIN MAX R
01 OLXT57B6                 174 O NRF    -     1234@ 7@SU@ 12M R
                                        S24AUG  12OCT
FCL: OLXT57B6  TRF:  27 RULE: LGTN BK:  0
PTC: ADT-ADULT              FTC: ERU-ECONOMY RT UNBUNDLED
FARE FAMILY            : NOBAG
FARE FAMILY DESCRIPTION: BASIC ECONOMY
OPTION LIST
   RU.RULE APPLICATION              MN.MIN STAY
   MX.MAX STAY                      SE.SEASONS
   DA.DAY/TIME                      SR.SALES RESTRICT
   AP.ADVANCE RES/TKT               FL.FLT APPLICATION
   CD.CHILD DISCOUNTS               TC.TOUR CONDUCTOR
   AD.AGTS DISCOUNTS                OD.OTHER DISCOUNTS
   SO.STOPOVERS                     TF.TRANSFERS/RTGS
   SU.SURCHARGES                    TE.TKT ENDORSEMENT
   PE.PENALTIES                     CO.COMBINABILITY
   HI.HIGHER INTERMEDIATE POINT     MD.MISCELLANEOUS DATA
                                                PAGE  1/ 2
|
```

Rules to check at this detailed level:

- Sales Restrict (Plating Restrictions)
- FLT Application (Required/Prohibited airlines/flight no's)

These checks are time consuming. Process tickets in this order to speed up the work:

- Tickets received from the same airline
- Tickets in sequential ticket order
- Tickets with the same routing or ATBP
- Tickets with the same FBTD

Tips to avoid receiving a rejection

- Checking more fare rules = more likely the correct fare
- Add a fare source to your billing
- Explain why certain fare rules can/cannot apply

IBSOPSWG Paper P 15 – “Notes”

- Fares often followed by free format text, explaining a rule.
- The text is an explanation of a rule – <u>not</u> itself a rule
- Not machine readable by ticketing/pricing systems (*Automated Parameterized*)
- We think the word “*Notes*” is easier to understand than “*Automated Parameterized*”

Feedback from you

- Can you share any best practice?
- What’s difficult for you?
- Have you any ideas for improvement?

Thank You