5th World Financial Symposium
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Madrid Marriott Auditorium Hotel & Conference Center
Break-out session

Lowest Applicable Fare Process
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

“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?

You’ll find a fare basis code 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
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 **not** the RBD on the ticket

If it is an INVOL reroute, you must use the details or the **original** ticket and journey.
...Some useful tips (1 of 2)

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)

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

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
Fares often followed by free format text, explaining a rule.

The text is an explanation of a rule – not 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