



Air Fares & Ticketing 3

(IATA Level 2)

Written to support City & Guilds

Level 3 in Travel & Tourism

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OVERVIEW

This unit develops candidates' knowledge of air fares and ticketing. It progresses from unit 212 in the City & Guilds First Diploma in Travel and Tourism. There is no pre-requisite to have completed the level 2 unit before undertaking this level 3 unit. This unit is intended for candidates who are possibly existing industry employees requiring a greater knowledge of fare construction or candidates who would be looking at joining the industry in a fares related role.

This unit will provide candidates with the detailed knowledge required for advanced fare construction, ticketing and the mileage system. It also provides an in-depth synopsis of how fares are calculated for complex itineraries.

The first learning outcome of this level 3 unit covers areas and sub-areas, which may have been covered on Level 2. Candidates then move on to investigate a range of advanced checks which must be applied to certain journeys and the correct fares constructed in order to comply with IATA regulations.

The unit provides candidates with the knowledge to construct and apply the correct fares on one-way and return journeys, to investigate fares which exceed the mileage system, higher intermediate fares, open-jaw itineraries, stopovers and to apply backhaul and circle trip checks. Finally candidates will explore and be able to define specific terms and conditions used in the ticketing process.

Aims & Objectives

The aim of this unit is to provide the candidate with the skills required to complete fare constructions for complex routings.

There are seven learning outcomes to this unit:

1. Construct fares for journeys that include more than one class
2. Construct fares for journeys that are via a city which has a higher fare
3. Construct fares for journeys that include visiting the same city more than once
4. Construct Special Fares using the mileage system
5. Calculate backhaul and circle trip minimum checks
6. Construct fares using various breakpoints
7. Examine airfare terms and definitions

Mixed Class Fare Construction

The procedure for calculating a mixed class fare is in three specific stages:

Stage 1: Calculate the through fare, from origin to destination, for the lowest class of travel.

When carrying out this calculation apply any mileage surcharge as appropriate.

Stage 2: For the sector(s) to be travelled in the higher class, deduct the lower fare, from the higher fare.

This gives you the differential. If there are two or more 'higher fare' sectors carry out a mileage check and apply any applicable mileage surcharge.

Stage 3: Add the amounts calculated in stages 1 and 2 above to arrive at the total fare.

It is also necessary to apply what is termed a 'Minimum Fare' or 'Through Fare Check' for the total fare, which ensures we are charging the correct fare for a traveller. Simply put, if it is cheaper to travel the whole journey in the higher class then it makes sense to administer this.

Example

TPMs	ITIN	FLIGHT DETAILS
	ATH	
2043	DXB	EK 23 AUG F
3035	BKK	TG 28 AUG C
1368	MNL	PR 17 SEP F
1631	SEL	OZ 29 OCT F

Always base the fare on the lower-class travelled, even if there is only one sector.

In this case, you would base the fare on C Class.

ROUTE	ATH – SEL C Class	ATH – DXB F Class - ATH – DXB C Class	BKK – SEL F Class - BKK – SEL C Class
FARE	2912.93	F Class: 1146.34 - C Class: 849.10	F Class: 781.27 - C Class: 633.54 <hr/> Differential: 147.73
RULE	N/A	N/A	N/A
MPM	7148	N/A	2756
TPM	8077	N/A	2999
SUR	15M	N/A	10M
SUB TOTALS	3349.86	297.24	162.5
TOTAL FARE	3809.60		
MIXED CLASS CHECK	ATH – SEL F (+15M) = 5360.11 The constructed Mixed Class Fare is lower.		

Linear Fare Format:

ATH EK DXB TG BKK PR MNL OZ SEL

15M3349.86D ATHDXB297.24D BKKSEL10M162.50

NUC3809.60END ROE1.034754

Exercise 2.2

Identify the fare you would charge for the following journeys by identifying any HIPs. Identify all fares in Nucs only.

1. London (LON) - Zurich (ZRH) - Johannesburg (JNB) in Y Class

2. Amsterdam (AMS) - Vienna (VIE) - Dubai (DXB) - Riyadh (RUH) in Y Class

3. Dublin (DUB) - Paris (PAR) - Colombo (CMB) in C Class

4. London (LON) - Rome (ROM) - Khartoum (KRT) - Jeddah (JED) in C Class

5. Dublin (DUB) - Paris (PAR) - Colombo (CMB) in Y Class

HIPs and Mileage Surcharges

What happens when there is a mileage surcharge?

Where a fare has to have a mileage surcharge applied, it is applied to the HIP. As an example look at the journey LON-MAN-BRU-ROM.

ROUTE	LON - ROM
FARE	466.17
RULE	N/A
MPM	1077
TPM	1220
SUR	15M
HIP	MANROM 594.04 BRUROM 675.82
TOTAL FARE	777.19



The HIP is increased by 15% to find the total fare.

The Linear fare format is shown like this:

LON BA MAN BA BRU AZ ROM **15M BRUROM777.19** NUC777.19END
ROE0.617797

You might have been surprised to see that BRU-ROM was a HIP. The distance is considerably less than from MAN.

In many cases travel from the UK via Belgium (and many other western European countries) will result in a HIP - even for relatively short journeys. Again, with experience you will become adept at spotting these.

One-Way Backhaul Check (BHC)

This IATA rule states...

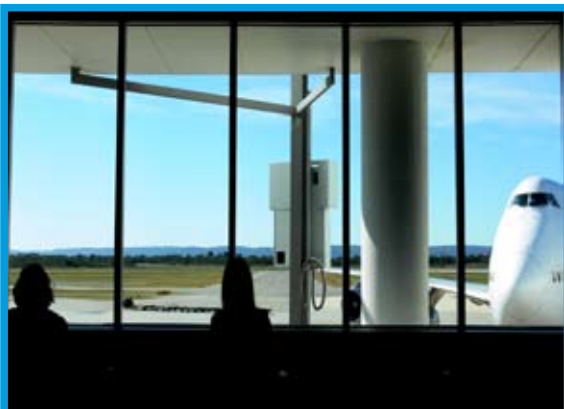
“For a one-way journey with a HIP from origin, the fare charged must not be less than:

- The applicable one-way fare to the HIP from origin (without surcharge)

PLUS

- The difference between the HIP from origin, and the origin to destination fare (both unsurcharged).

The minimum fare to charge for a one-way journey including a HIP from origin is not published, so we have to carry out a further calculation to establish it. This is: is the One-Way Backhaul Check (BHC).



Definitions

Below is a list of air travel terms and jargon that you are likely to encounter in air fares and ticketing.

2-Letter Code: To simplify communication in the airline world, IATA (International Air Traffic Association) has designated all scheduled airlines with two letter codes. These are used in reservations, tickets, timetables and fare tables. In many cases the airline code is very similar to its name, but occasionally a number and letter are allocated. 9W is Jet Airways in India.

Accompanied/Unaccompanied Baggage: Accompanied baggage is carried in the same vehicle as the passenger (and may be checked or unchecked). Unaccompanied baggage is carried separately as cargo.

Airline Code: Specifically, the unique two or three digit indicators that identify specific airlines in CRS systems.

Alliance: A term for airlines that have grouped together – formed an alliance – to give them a stronger identity and larger market share.

Apex: A travel ticket which has an advance purchase requirement.

APD: Air Passenger Duty (charge payable on tickets for flights leaving from the UK).

Arrival Times: All timetables give the time that the flight will arrive in local time.

ATB: Automated Ticket and Boarding Pass.

Billing Settlement Plan (BSP): BSP is a standardised system for airlines and agents, providing them with a simplified approach to the selling, reporting and administration of passenger air transportation.

Budget Airlines: Also called 'No Frills' or 'Low Cost' airlines (see previously). They operate schedules (regular timetables) like the larger airlines, but often with lower fares. They fly on short-haul routes and sometimes in and out of less popular airports.

BST: British Summer Time (see DST below).

Question 3

Calculate the MIXED Class fare for the following itinerary. Show all your calculations in NUCs, convert to local currency, and complete the fare construction box provided.

From	To	Carrier	Class	Date	TPM
Frankfurt (FRA)	Madrid (MAD)	LH	Y	01APR	884
Madrid (MAD)	Rio de Janeiro (RIO)	IB	Y	04APR	5064
Rio de Janeiro (RIO)	Lagos (LOS)	RG	J	07APR	3745
Lagos (LOS)	Paris (PAR)	AF	J	16APR	2923
Paris (PAR)	Frankfurt (FRA)	LH	Y	22APR	286

Fare Component(s)	
Fare (NUC)	
MPM	
TPM	
Surcharge	
Higher Intermediate Point	
Sub-total	
Total	
Minimum Fare Check	
Grand Total	
ROE and Rounding Unit	
Fare (Local Currency)	
Fare Calculation	