

# Air Fares & Ticketing 1

Unit 24

Written to support Travel & Tourism BTEC Extended Diploma

**Endorsed by** 

**Thai Airways International** 





# **Learning Outcomes**

On completion of this module a learner should be able to complete the following outcomes. Where activities match the Edexcel (or should it be BTEC )assessment and grading criteria, they are indicated for each section.

- 1. Understand IATA terms and definitions (P5)
- 2. Know IATA codes (P1, P2)
- 3. Know IATA areas (P3, P4)
- 4. Understand fare types (P6, P7, P11)
- 5. Be able to construct the most appropriate fares (P10, P12, P13, P14, P15, P16)
- 6. Be able to construct basic fares using the mileage system (P17, P18)
- 7. Know baggage allowances, taxes, fees and charges.(P23, P24, P25, P26, M4)
- 8. Be able to interpret air travel documentation (P19, P20, P21, P22)



## Contents

Section 1: IATA Terms and definitions	9
Travel trade organisations	10
IATA	11
CAA	12
ATOL	13
Terms and definitions	14
Abbreviations	20
Section 2: IATA Codes	27
Introduction	28
Airlines	29
Timetables for scheduled flights	34
Flight routings	37
Introduction to codes	41
City codes	42
Other codes	43
Airport codes	44
Section 3: IATA areas	55
The world	56
IATA Traffic Conference Areas	60
IATA sub areas	63
Section 4: Fare types	77
Introduction	78
The Passenger Air Tariff	79
Western Hemisphere fares	80
Eastern Hemisphere fares	81
Overview of fare types	84
Fare basis codes	93
Normal fares	103
Second level fares	104
Fare selection	106
Global indicators	114

Section 5: Constructing the most appropriate fares	129
Introduction	130
Choosing the correct special fare	131
Using specific rules and standard conditions	140
Minimum and maximum stays	143
Standard conditions	146
Pricing units	148
Deadlines	149
Governing rules	152
Selecting the right fare	158
Restricted normal fares: Eurobudget	161
Youth and student fares	162
Midweek and weekend fares	167
Carrier specific fares	172
Second level normal fares	173
Child and infant discounts	186
Stopovers and transfers	193
Open jaw	196

Section 5: Construct basic fares using the mileage system	213
Introduction	214
The neutral unit of construction	215
Currency conversion rates	216
Child and infant fares using NUCs	229
The mileage system	231
Ticketed point mileages (TPMs)	232
Maximum permitted mileages (MPMs)	236
Mileage calculations for return journeys	246
Extra mileage allowances	254
Linear fare calculation entries	260

Section 6: Baggage allowances, taxes, fees and charges	295
Introduction	296
Baggage allowance	297
Piece system	298
Weight system	299
Excess baggage charges for the weight system	301
Billing and settlement plan	303
Forms of payment	305
Universal credit card charge form (UCCCF)	306
Taxes, fees and charges (TFCs)	307

313
314
315
318
320
320
320
321
323
336
339

### Mock questions papers

361

Appendix provided separately

# **Terms & Definitions**

Below is a list of the main 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 Transport 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).

# **Timetables for Scheduled Flights**

The main manual source of scheduled airline information within the travel industry is the OAG Flight Guide<sup>™</sup> Worldwide. It lists all the scheduled services around the world, including direct and connecting flights. There are extracts from the OAG at the back of your folder, and you will be using them in great depth throughout this section.

Study the OAG extract below detailing flights from Birmingham to Aberdeen. The OAG shows all airlines operating between Birmingham and Aberdeen. It will list the direct flights first, followed by any transfer connections. A transfer connection is when there is a change of flight number and aircraft.

The city where the change takes place is known as a transit city/point. Flights are ordered by departure time starting with the earliest and direct flights first.

Destination city	Airpo	ort co	des n	vill always	s be shown when	ever the city
I	has r	nore t	than e	one airpoi	rt, or if there is m	ore than one
	City v	vitn tr	ie sai	ne name		
*						
Aberdeen UK ABZ						
		4005				
		1025		BA4171		
		1425		<b>BA</b> 4171 <b>BA</b> 4177		
MTWTE•• From 6Apr 1510	BHX	1423		<b>ΒΑ</b> 4173	0 DH8 SBLKM	
••••••S From 11Apr 1805	BHX	1945	ABZ	<b>BA</b> 4175	0 DH8 SBI KM	
MTWTF•• 1830	BHX	2010	ABZ	<b>BA</b> 4175	0 DHB SBLKM	
<b>TRANSFER CONNECTION</b>	NS	←Tra	nsfer d	connections	are	
		list	ed bel	ow direct flig	ghts	
		0005	NO	<b>B A</b> 9200		
0025		1025		<b>DA</b> 0390		
0920 MTWTE•• From 4May 0725		0825		BA4032 BA8390		
0123 0025	NCI	1025	AB7	<b>BA</b> 4052		
MTWTE•• 6Apr-30Apr 1600	BHX	1700	NCI	<b>BA</b> 8394	0 J41 SBLK	
1830	) NCL	1930	ABZ	<b>BA</b> 4096	0 DH8 SBLKM	
	K	、				
		$\backslash$				
		$\backslash$				

Airport code will always be shown for the transit city

## Exercise 2.2

From the KQ flight routings on page 190. Give the via point(s) in codes and city names.

- 1. Write down at which two points the KQ115 stops between London and Nairobi.
- 2. Which airport does flight KQ165 from London Heathrow to Nairobi go via?
- 3. Which airport does flight KQ302 from Nairobi to Jeddah go via?
- 4. What days of the week does flight KS12 go via UGB?

# **Introduction to Codes**

It is obviously impractical to name every city, airport, country and state in full when referring to them in connection with airline fares or itineraries. Equally it is essential to ensure there is no confusion. For this reason there are codes for the following:

- Cities
- Airports
- Countries
- States
- Airlines
- Aircraft types
- Currencies



# **Airport Codes**

There are two different ways that airports can be shown when a city has more than one airport.

ii) Cities and airports each have different codes.

Example: London

- · LON is the City code
- LHR is the Airport Code for Heathrow Airport
- LGW is the Airport Code for Gatwick Airport
- LCY is the Airport Code for London City Airport
- ii) Cities and main airports have the same code; other airport(s) are coded separately. E.g. Belfast.
- BFS is City code and Belfast International Airport Code
- BHD is the Airport Code for Belfast City Airport

### **Appendix Information**

The full lists of three-letter city and airport codes are included in the Appendix in two formats.

- **CODING** which gives the code to use for any given city or airport
- DECODING which lists the three-letter codes, and shows which city or airport they represent.

# IATA Traffic Conference Areas

Traffic Conference (TC) areas are...

#### "divisions of the world used for the purposes of fare construction"

There are many rules and regulations apply to specified geographical areas. All these areas are clearly defined by IATA. Look at the map opposite, you will see that IATA divides the world into three areas known as Traffic Conference (TC) areas.

There are three traffic conference areas (TCs):

TC1 which comprises of:

- North and South American continents and adjacent islands
- Central America
- Greenland
- Bermuda
- West Indies and other Caribbean Islands
- Hawaiian Islands including Midway and Palmyra

TC2 which comprises of:

- Europe and adjacent islands (includes Russia, west of the Ural Mountains)
- Iceland
- Azores
- Middle East
- Africa and adjacent Islands

TC3 which comprises of:

- · Asia and adjacent islands
- · Australia, New Zealand and adjacent islands
- Pacific Ocean islands except those in TC1

#### Additionally:

- Western Hemisphere is another term for TC1
- Eastern Hemisphere is the whole area of TC2 and TC3

#### **IATA Area 1**





# Example



This is therefore an Economy, shoulder season, Pex fare, valid for six months.

To summarise...

- The longer and more complex the fare basis, the cheaper and more restricted it is. E.g. YHAP3M High season Apex, valid for three months with restrictions
- The shorter the fare basis... the more expensive and unrestricted.
  E.g. Y full fare economy ticket, no restrictions

# **Different Fares**

				GI - Global Ind MPM - Maximu Mileage	icato ım P	rs ermitte	ed
							1
FARE TYPE	LOCAL CURRENCY	NUC	CARR CODE	RULE	GI	MPN ROUT	И& ГING
	UK (LON) (INGDOM POUN	D STERLIN	G (GBP	)			
To MAUR	ITIUS (MRU)					EH 7	288
Y	1416	2292.01			EH		
Y	2575	4168.03			EH		
C	2230 <b>4069</b>	5022.54 6586 30			EH		
F	3420	5535 79			FH		
F	6218	10064.79			EH		
YLPX6M	1017	1646.17		Y042	EH		
YJPX6M	1175	1901.91		Y042	EH		
YKPX6M	1283	2076.73		Y042	EH		
YHPX6M	1393	2254.78		Y042	EH		
YEE6M	2074	3357.08		Y049	EH		

Look again at the London - Mauritius fares table reproduced above:

There are **11** different fares shown for both single journeys (in light) and return (in bold). However, there are only **5** different fare types as discussed on the next page.

# **Global Indicators (GIs)**

A Global Indicator is...

#### "a code that appears next to the fare and tells what route the travel must take"

For certain destinations it is possible for passengers to travel by alternative routes. From the UK to New Zealand, for example, they may either travel in an Easterly direction, perhaps stopping at points in Asia and Australia; alternatively there is a service which crosses the Atlantic, stopping at a point in the USA, and then across the Pacific to the destination.

In these situations the fares tables give **Global Indicators (GI)** as we have already seen.

There are a number of Global Indicators:

•	Eastern Hemisphere	EH
•	Far East	FE
•	Trans Siberian	TS
•	Atlantic Pacific	AP
•	Atlantic	AT
•	Pacific	PA
•	North Pacific	NP
•	Russian Route	RU

These routes are explained in more detail on the next two pages.

# **Exercise 1.5**

Using the appendix, identify the correct Fare Basis and fare for the following scenarios:

1. A customer travelling between London and Nassau on an Apex ticket in April.

Fare Basis:

Fare: GBP:

2. A customer travelling between Sydney and Larnaca on an Excursion ticket in December.

Fare Basis:

Fare: AUD:

3. A customer travelling between Oslo and Vancouver on a Super-Apex ticket in November.

Fare Basis:

Fare: NOK:

4. A customer travelling between Johannesburg and Milan on a Super Pex ticket in August.

Fare Basis:

Fare: ZAR:

## Example



# **Midweek and Weekend Fares**

Some fares have different levels for midweek travel.

### Example

London - Milan fares table is shown below.

FARE TYPE	LOCAL CURREN	NUC CY	CARR CODE	RULE	GI	MPM & ROUTING
LONDON UNITED KING	<b>JK</b> (LON) DOM			POUND	STERL	ING (GBP)
To MILAN (M	/IIL)					EH 714
Y YBB YLXSX1M YLWSX1M YKSX1M YHXSX1M YHWSX1M YLXPX3M YLWPX3M YKPX3M YHXPX3M YHWPX3M	256 476 259 278 319 302 319 321 339 385 367 385	414.37 770.47 419.23 449.98 516.35 488.83 516.35 519.58 548.72 623.18 594.04 623.18		Z029 ZX03 ZX03 ZX03 ZX03 ZP10 ZP10 ZP10 ZP10 ZP10 ZP10		

# **Child and Infant Discounts**

Discounted fares apply for children and infants on most air fares. The exact amount of the discount depends upon the route and fare type.

The following are the USUAL conditions (but these might be modified by a specific rule entry).

- A CHILD is defined as a passenger who has reached their second birthday, but not reached their twelfth birthday.
- **AN INFANT** is defined as a passenger who has not yet reached their second birthday.

These ages are those that the passenger has reached on the DATE THE JOURNEY STARTS. An infant having their second birthday, or a child having their twelfth birthday, between the start of the journey and the return flight are entitled to the discount. (NB: This is different from the policy adopted by many charter airlines operating package holidays, where the effective age is that applying on the date of

return). This can, however, depend on the airline.

The rule is, if in doubt, always check!

The STANDARD discount for children and infants is given in:

- Standard Condition SC101 for NORMAL fares
- Standard Condition **SC100** for **SPECIAL** fares

The two extracts are reproduced opposite.

# **Stopovers and Transfers**

There is a specific difference between a stopover and a transfer.

- A Stopover is a break in the journey of more than 24 hours
- A Transfer is a break of journey where the passenger has a flight reserved to depart within 24 hours of the previous flight's arrival

Paragraphs 8 and 9 of rules are concerned with Stopovers and Transfers. Passengers may have a break in their journey, between the Origin and the Destination (for OW journeys); or between the Origin and the Point of Turnaround (on a RT journey).

As you can see from the definitions, the length of that break of journey will determine whether it is a Stopover or a Transfer. In both cases the times considered are the SCHEDULED times. No account is taken of flights that arrive or depart earlier or later than scheduled.

#### Example 1:

Dep. London (LON)	Fri 2130	Arr. Johannesburg (JNB)	Sat 0920
Dep. Johannesburg (JNB)	Sun 0915	Arr. Mauritius (MRU)	Sun 1510

#### Johannesburg is regarded as a TRANSFER point as it's less than 24 hours

#### Example 2:

Dep. London (LON)	Fri 2130	Arr. Johannesburg (JNB)	Sat 0920
Dep. Johannesburg (JNB)	Sun 0930	Arr. Mauritius (MRU)	Sun 2125

# Johannesburg would be regarded as a STOPOVER as it's more than 24 hours

On a separate note, when shown as a routing or on a ticket, an 'x' is shown beside any transfer city to indicate this. e.g. LON - X/ROM - HKG

**IMPORTANT!** Sometimes a fare rule may give a more specific definition of a transfer/stopover. This will supersede the general rule above.



# Review

# This completes this section. Complete the review to check your understanding.

This Review provides evidence for assessment and grading criteria **P1 & P2** 



# The Neutral Unit of Construction (NUC)

A neutral unit of construction is...

# "a common denominator used to calculate a total when adding fares in different currencies."

So far we have calculated fares entirely in local currency - for journeys from the UK this was the GBP, for journeys from France the EUR and so on.

When it was necessary to compare fares for journeys from the same country this was no problem. If we had needed to compare fares of GBP210.00, GBP199.00 and GBP254.00 we could very quickly identify which was the lowest fare.

But what if the fares to be compared are in different currencies?

To start with we would need to know the appropriate exchange rates, then we would need a calculator. Altogether more complicated than comparing three fares in the same currency.

Passenger Air Tariff publishes fares for any journey in both the local currency of the country of departure, and in NUCs.

NUCs are of course, a fictitious currency in that the passenger cannot pay a fare in NUCs. Neutral Units of Construction are converted into local currency fares by applying IATA Rates of Exchange which are shown in the appendix.

Just for your information, NUC rates are pegged approximately to the US Dollar.

# The Mileage System

The Mileage System is...

# "An airfare system allowing stopovers up to a specific maximum permitted mileage"

Unless the fares rule prohibits stopovers or transfers passengers do not have to travel directly to their destination or turnaround point.

They may travel by any number of intermediate points, at the published fare for their 'end to end' journey, subject to two important conditions.

- They are only permitted to travel a certain number of miles for each route
- They may not travel via any point having a higher fare than that for the 'end to end' journey. This is covered in the Level Two Course
- The maximum miles that a passenger may travel is known as the 'Maximum Permitted Mileage' abbreviated as MPM
- The MPM for any journey is given at the top of each fares table.

FARE TYPE	LOCAL CURRENCY	NUC	CARR CODE	RULE	GI MPM & ROUTING
	<b>ON UK (LON)</b> KINGDOM		PO	JND STER	LING (GBP)
To CAII	RO (CAI)				EH 2672
Y Y C C	584 <b>1063</b> 875 <b>1593</b>	945.29 <b>1720.62</b> 1416.32 <b>2578.51</b>			EH EH EH EH
		The Maxim between Lo	ondon and	ed Mileage Cairo is 267	for a journey 2.

# **Maximum Permitted Mileage (MPM)**

In the event that the mileage is exceeded, a surcharge of between 5 - 25% can be assessed for an additional 5 - 25% mileage, respectively. Beyond 25% additional mileage, the through fare must be broken. This scenario is covered in the next level of Airfares and Ticketing. So 'mileage surcharges' apply in the following stages:

For a mileage increase of: the fare is increased by:		
Not more than 5%:	5%	
More than 5%; but not more than 10%:	10%	
More than 10%; but not more than 15%:	15%	
More than 15%; but not more than 20%:	20%	
More than 20%; but not more than 25%:	25%	

You cannot have a mileage percentage increase higher than 25%. This would require a completely different calculation that is covered in a different course.

To calculate the percentage by which a TPM exceeds the MPM there is a simple rule:

### DIVIDE the Ticketed Point Mileage (TPM) by the Maximum Point Mileage (MPM)

## **Exercise 11.6**

Calculate the Normal ECONOMY Class fare for the following itinerary. List your TPMs, show all your calculations in NUCs, and convert to local currency.

From	То	Carrier	Date	ТРМ
London (LON) Barcelona (BCN) Milan (MIL) Rome (ROM) Malta (MLA)	Barcelona (BCN) Milan (MIL) Rome (ROM) Malta (MLA) Cairo (CAI)	IB AZ AZ KM MS	31JAN 11FEB 14FEB 18FEB 28FEB	
Fare Component(s)	I	London- Cairo		
NUC				
Rule				
MPM				
TPM				
Extra Mileage Surcharge (EMS)				
Air Fare				
Sub-total				
International Rate of Exchange (IROE)				
Local Currency Fare (LCF)				

# **Mileage Calculations for Return Journeys**

Calculating the mileage surcharge on a return journey is the same principle as a one way. However, you need to identify the turnaround point and show two separate constructions - an outward and return.

There are six stages of calculating the fare which is shown below.

### Example

London - Nice - Barcelona - Malaga - Tangiers - Madrid - Marseilles - London

**Stage 1: Identify the Turnaround Point:** This is the point furthest from the origin. Sometimes this will be easy to identify from its geographical position, in other cases it may be harder. There is a very simple way to find the turnaround point:

### The turnaround point is the city with the greatest MPM from origin

In this example the turnaround city is Tangier: The MPM is 1358

**Stage 2:** Check the TPM's for each sector, and calculate the total for each direction.

<u>Outward</u>		<u>Return</u>	Return		
Sector	ТРМ МРМ	Sector	ТРМ МРМ		
LON-NCE NCE-BCN BCN – AGP AGP – TNG	645 309 476 103	TNG – MAD MAD – MRS MRS – LON	352 495 615		
OU	IT: 1533	IN:	1462		

# **Exercise 16.6**

Calculate the Normal BUSINESS Class fare for the following itinerary. List your TPMs, show all your calculations in NUCs, and convert to local currency.

From	То	Carrier	Date	ТРМ
London (LON) Cairo (CAI) Muscat (MCT) Dubai (DXB) Kuwait (KWI) Malaga (AGP)	Cairo (CAI) Muscat (MCT) Dubai (DXB) Kuwait (KWI) Malaga (AGP) London (LON)	BA MS GF KU KU BA	18APR 21APR 25APR 11MAY 16MAY 22MAY	
Fare Component(s) (FCP)				
NUC				
Rule				
МРМ				
ТРМ				
Extra Mileage Surcha (EMS)	rge			
Sub Total				
Total			i	
International Rate of Exchange (IROE)				
Local Currency Fare	(LCF)			

# **Linear Fare Calculation Entries**

Linear format is the fare calculation on e-tickets.



# Weight System

The weight allowance depends upon the class of travel, as follows:

Class:	Allowance:
Economy	20 kgs*
Business Class	30 kgs
First Class	40 kgs

\*IMPORTANT EXCEPTION: British Airways (BA) 23 kgs.

#### **Key Points**

- CHILDREN receive the full allowance, but INFANTS (paying 10% of the adult fare) are only entitled to a reduced allowance of 10 kg.
- Passengers are permitted to 'pool' luggage. Three passengers travelling together in Business Class would be able to carry a total of 90 kg between them.
- If passengers wish to travel with luggage of an unusual size or shape they should check with the airlines in advance. Particular regulations might apply.
- Remember some airlines apply different baggage allowances. Always check for details in the Passenger Air Tariff.



# **Forms of Payment**

Travellers can pay for their travel arrangements via a number of methods. The most popular are mentioned below along with the entries shown on their e-ticket:

Payment type:	Entry:	Notes:
Cash or Traveller's Cheques	CASH	
Cheque	CHEQUE	
Invoice or Company Credit	NONREF	This indicates that the Account passenger may not yet have paid the agent for the ticket, so they will only be able to obtain a refund with the authority of the original issuing agent.
		(NB: The code NONREF does NOT mean Not Refundable). Also note the code NONREF/AGT has a specialised meaning, and is not used during the Level One course.
Credit card	Card Type: Code	Enter the Two Letter code for the type of credit card, followed by the serial number of the card.
	MasterCard <b>CA</b> American Express <b>AX</b> Diners Club <b>DC</b> Visa <b>VI</b>	The full list of credit card codes is given in the Passenger Air Tariff.

# Ticketing

There are a number of different ticket types:

- Electronic tickets (E tickets)
- Automated Ticket and Boarding Pass (ATB tickets)
- Multiple Purpose Documents (MPDs and MCOs)

There are also the following types of tickets which are rarely used in aviation so are not covered further in this manual:

- **OPTAT**: Off premise transitional automated ticket
- Two coupon/Four coupon paper tickets: Paper tickets came in batches of two or four coupons, for two or four flights respectively.



## **Exercise 4.8**

#### Answer the following questions concerning the electronic ticket below.

ELECTRONIC TICKET RECORD INV: CUST: IAT000 **PNR: WPTRKG** TKT: 118 13424261077 ISSUED: 27SEP10 PCC: 04D9 IATA: 96114104 NAME: WRIGHT/CALLUM NAME REF: TOUR ID: 000001 FOP: AX3742335867911922 CPN A/L FLT CLS DATE BRDOFF F/B TIME ST STAT LH 811 C 11NOV HELMUC 1600 OK F **OPEN** LH 835 C 11NOV MUCIST 2 1915 OK F **OPEN** 3 LH 834 C 21NOV ISTFRA 1810 OK F **OPEN** LH 810 C 21NOV FRAHEL 2155 OK F **OPEN** 

FULLY ENDORSEABLE FARE EUR1129.00 TAX 94.80YQ TAX 15.21FI TAX 6.96DQ TAX 10.49DE TAX 38.23RA TAX 17.77TR TOTAL EUR1312.46

HEL LH X/MUC LH IST M750.38 LH X/FRA LH HEL M750.38NUC1500.76END ROE0.751949XT6 .96DQ10.49DE38.23RA17.77TR

- 1. According to the reservation status on the ticket, space is:
  - a) Subject to availability
  - b) Not confirmed
  - c) Confirmed

#### 2. The form of payment (FOP) is made by:

- a) Cheque
- b) Cash
- c) American Express
- d) Diners Club Credit Card
- 3. What is the country of origin?
- 4. The code starting 118 indicates:
  - a) The reservation status code
  - b) The origin and destination city codes
  - c) The PNR booking reference code
  - d) The ticket number