## Contents

**Chapter 1 - Fares Overview** .................................................. 1
  Fare References .......................................................... 2
  Terms ................................................................................. 4
  Tariff/Fare Quote Display .................................................. 8
  Published Normal Fares ...................................................... 9
  Published Discount/Excursion Fares ....................................... 10
  Constructed Fares ............................................................ 11
  Summary .............................................................................. 14
  STOP Review and Apply ...................................................... 15

**Chapter 2 - Discount Fares And Fare Basis Codes** ................. 17
  Discount Fares ................................................................. 18
  Fare Basis Codes ............................................................. 21
  Interpreting Fare Basis Codes ............................................... 22
  Summary .............................................................................. 26
  STOP Review and Apply ...................................................... 27

**Chapter 3 - Interpreting Fare And Rule Displays** ............... 29
  How To Read Tariff Displays .................................................. 30
  Fare Rules ............................................................................ 32
  Interpreting Fare Rules ........................................................ 35
  Summary .............................................................................. 39
  STOP Review and Apply ...................................................... 40

**Chapter 4 - Constructed Fares** ............................................ 45
  Constructed Normal Fares .................................................... 46
  Constructed Discount Fares .................................................. 50
  Constructed Round-Trip Fares ............................................... 52
  Summary .............................................................................. 57
  STOP Review and Apply ...................................................... 58

**Chapter 5 - Interpreting Taxes And Fees** ............................... 59
  Overview .............................................................................. 60
  Terms ................................................................................. 61
  Fare Calculation Line/Fare Ladder .......................................... 62
  U.S. Taxes ............................................................................. 63
  U.S. Fees And Surcharges ..................................................... 67
  U.S. Tax Summary ............................................................... 70
  Canadian Taxes ...................................................................... 71
  Canadian Tax Summary ........................................................ 74
  STOP Review and Apply ...................................................... 75
## Contents

### Chapter 6 - Domestic Airline Tickets

- Distribution System .................................................. 79
- A Contract .................................................................. 80
- Automated Tickets (ATBs) ........................................... 81
- Flight Coupons .......................................................... 83
- Interpreting ATBs ....................................................... 84
- Currency and Codes .................................................. 85
- Electronic Tickets (ET) ............................................... 87
- Prepaid Ticket Advice (PTA) ....................................... 88
- Interpreting a Prepaid Ticket Advice (PTA) ....................... 90
- Miscellaneous Charges Order (MCO) ............................ 92
- Interpreting a Miscellaneous Charges Order (MCO) ............. 94
- Tour Order .................................................................. 95
- Interpreting a Tour Order .......................................... 98
- Summary .................................................................... 99
- STOP Review and Apply ............................................. 100

### Chapter 7 - Methods Of Payment

- Acceptable Forms of Payment ....................................... 101
- Charge Forms .......................................................... 103
- Additional Forms of Payment ...................................... 104
- Summary .................................................................... 105
- STOP Review and Apply ............................................. 106

### Chapter 8 - Refunds

- Refund Guidelines and Procedures ............................... 109
- Voids And Reissues ..................................................... 110
- Refund Guidelines and Procedures ............................... 111
- Full Refund .................................................................. 112
- Partial Refunds .......................................................... 113
- Refund/Exchange Notice (REN) .................................. 114
- Interpreting Refund/Exchange Notices (RENs) ................. 115
- Summary .................................................................... 116
- STOP Review and Apply ............................................. 122

### Chapter 9 - Exchanges

- Types of Exchanges ..................................................... 118
- Exchange Guidelines and Procedures ......................... 119
- Interpreting RENs ....................................................... 120
- Summary .................................................................... 121
- STOP Review and Apply ............................................. 127
## Contents

**Chapter 10 - International Fares Overview** ........................................... 149
  Controlling Organizations ................................................................. 150
  International Faring ........................................................................... 151
  Terms .................................................................................................. 152
  Types of Trips ................................................................................... 153
  General Rules .................................................................................... 154
  International Fare Basis Codes ........................................................ 155
  Currency ............................................................................................. 156
  Summary ............................................................................................. 159
  STOP Review and Apply .................................................................... 160

**Chapter 11 - Routing-Based Fares** ......................................................... 165
  Benefits and Features .......................................................................... 166
  Fare Quote .......................................................................................... 167
  Routing Fare Rule ............................................................................... 168
  Fare Calculation ................................................................................. 170
  More Displays ..................................................................................... 171
  Fare Calculation ................................................................................. 173
  Summary ............................................................................................. 174
  STOP Review and Apply .................................................................... 175

**Chapter 12 - Mileage Fares** ................................................................. 179
  Benefits and Features .......................................................................... 180
  Mileage Elements ............................................................................... 181
  The Process ........................................................................................ 182
  Minimum Checks ............................................................................... 183
  Mileage Elements in Detail ............................................................ 184
  International Fares Flow Chart ....................................................... 190
  Summary ............................................................................................. 191
  STOP Review and Apply .................................................................... 192

**Chapter 13 - International Ticketing.** ................................................ 195
  Interpreting International Tickets ..................................................... 196
  Fare Calculation Lines ....................................................................... 198
  Summary ............................................................................................. 199
  STOP Review and Apply .................................................................... 200

**Appendix** .......................................................................................... A-1
  Codes ................................................................................................ A-2
  Buffer Zone Cities ........................................................................... A-4
  Notices .............................................................................................. A-5
  24-Hour Clock .................................................................................. A-8
  Time Zones ........................................................................................ A-9
  Time Zone Map ................................................................................ A-10
  Documentation ................................................................................ A-11
  U. S. Customs .................................................................................. A-13
  Currency Exchange Procedures .................................................... A-14
  Travel Advisories ............................................................................. A-14

**Glossary** ........................................................................................... G-1
Chapter 1 - Fares Overview

Introduction

How much does it cost? What is the fare? The answer to that question must be provided many times each day. Domestic fares are multiple and volatile. The carriers operate in a highly competitive market. The cost of an airline ticket goes up and down with a variety of ticketing and traveling restrictions and there are multiple fares between all major cities. The quoting of fares and the pricing of air itineraries is complex.

Automation of reservations and fares assists you in quoting the lowest applicable fare. The traditional automation, Global Distribution Systems (GDSs) or Computer Reservations Systems (CRSs), are your primary fare and pricing resources in the workplace. Alternatives to traditional GDSs, including the World Wide Web, now add to that resource making many different options available for the travel professional. Even the traveling public has access to fares, thanks to the Internet.

In this chapter we will provide an overview of domestic airfares, introduce you to some valuable references and resources and then concentrate on some basic faring terms and codes used in the industry. You will want to memorize the codes.

In the remainder of the chapters we have used GDS displays to explore air fares and teach you to interpret such displays.

After completing this chapter you should be able to . . .

- Name three fare references
- Identify, define and diagram four trip types
- Differentiate between normal fares and discount fares
- Differentiate between published fares and constructed fares
- Define the fare terms included in this chapter
Summary

- The format of tariff displays varies from GDS to GDS. In general, tariff displays include such things as:
  - City pairs
  - Date of display
  - Discount fares and normal fares
  - Fare basis which includes the booking code
  - Minimum and maximum stays
  - Advance purchase requirements
  - Effective travel dates, when applicable
  - Effective ticketing dates, when applicable
  - Routing

- Every fare is governed by a fare rule or rules.

- Normal fares are year-round fares with no restrictions on purchase time, travel time or refunds and changes. Normal fare construction is governed by Rule 165, which provides for point-to-point construction.

- Discount fares are governed by special fare rules. Each fare rule includes all the travel and purchase conditions as well as the construction information for a specific fare as identified by the fare basis code. Some fares have more restrictions than others and therefore those rules will be longer. Each fare rule is divided into informational categories or subjects. Each category describes a particular type of restriction or condition of travel including:
  - Booking Code
  - Penalties/Changes
  - Reservations and Ticketing
  - Minimum and Maximum Stay
  - Day/Time Application
  - Seasonal Application
  - Blackouts
  - Effective/Expiration Dates
  - Flight Application
  - Stopovers/Open Jaw
  - Open Return
  - Combinability
  - Co-terminals
  - Surcharges and Fees
  - Reroute

CHALLENGE

You can access fares and rules through the Internet. Sites such as http://expedia.com and www.travelocity.com allow you to request air travel, price it and then read the rules for the fare. Explore these sites or others of your choice and compare with the information found here. Report your findings to your instructor.
**U.S. Tax Summary**

The definitions to remember when applying U.S. transportation taxes and fees are:

- **United States** - the 50 states and the District of Columbia.
- **Continental United States** - the contiguous 48 states and the District of Columbia.
- **Buffer Zones** - those areas of Canada and Mexico within 225 miles of the borders of the continental United States.
- **Domestic Travel** - travel wholly within the continental U.S., travel to and within Alaska and Hawaii, and travel to, within, and between the U.S. and the buffer zones.
- **International Travel** - travel beyond the buffer zones.

Ticketing Codes need to be memorized to efficiently interpret faring information.

<table>
<thead>
<tr>
<th>TICKET CODE</th>
<th>Tax Description and Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>AY</td>
<td>U.S. Security Service Fee - This security fee is levied by the U.S. Government on any enplanement in the United States. It is currently $2.50.</td>
</tr>
<tr>
<td>Q</td>
<td>Surcharge - Fees assessed the airlines by airports and municipalities and/or fuel surcharges that are passed on to the consumer. Amounts vary.</td>
</tr>
<tr>
<td>US</td>
<td>U.S. Ticket Tax - The domestic percentage tax on travel within the continental U.S., within Alaska and within Hawaii, currently 7.5%.</td>
</tr>
<tr>
<td>US</td>
<td>Alaska/Hawaii Ticket Tax - A ratio of the 7.5% U.S. Ticket Tax.</td>
</tr>
<tr>
<td>US</td>
<td>U.S. International Departure/Arrival Tax - Applicable to all arrivals in or departures from the United States. Currently $15.10.</td>
</tr>
<tr>
<td>US</td>
<td>Alaska/Hawaii International Travel Facilities Tax - Applicable to travel involving departures to or from Alaska or Hawaii. Currently $7.50.</td>
</tr>
<tr>
<td>XA</td>
<td>Animal and Plant Health Inspection Service (APHIS) Fee is applicable to travel into the U.S. and Puerto Rico from any international point except Canada. Currently $5.00.</td>
</tr>
<tr>
<td>XF</td>
<td>Passenger Facility Charge (PFC) - Assessed by an airport for airport improvement. Maximum 2 PFCs for a one-way ticketed journey, maximum 4 PFCs for a round-trip ticketed journey. Amount is usually $3.00 or $4.50.</td>
</tr>
<tr>
<td>XT</td>
<td>Combined Taxes/User Fees - This code is used when more than two taxes apply on the ticket. A breakdown of the taxes is shown in the fare calculation area of the ticket.</td>
</tr>
<tr>
<td>XY</td>
<td>Immigration Inspection Fee (INS) - Applicable to travel into the U.S., Puerto Rico, Guam, and U.S. Virgin Islands. Currently $7.00</td>
</tr>
<tr>
<td>YC</td>
<td>U.S. Customs User Fee - Applies to travel from any international point, except Canada, Mexico and select Caribbean islands, into the U.S. and Puerto Rico. Currently $5.00.</td>
</tr>
<tr>
<td>ZP</td>
<td>U.S. Flight Segment Tax - charged for flights from non-rural airports. The current amount is $3.40 with increases from that point on indexed for inflation.</td>
</tr>
</tbody>
</table>
STOP Review and Apply

5. Refer to the REN below to answer the following questions:

- Is this a straight refund, add collect, even exchange or refund with exchange?
- Is there an administrative fee or penalty on this exchange?
- What is the total cost of the old ticket?
- What is the amount to be collected?
- Who is this REN for?

a. Is this a straight refund, add collect, even exchange or refund with exchange?

b. Is there an administrative fee or penalty on this exchange?

c. What is the total cost of the old ticket?

d. What is the amount to be collected?

e. Who is this REN for?
STOP Review and Apply

6. Refer to the REN below to answer the following questions:

<table>
<thead>
<tr>
<th>AMOUNT TO BE REFUNDED/COLLECTED</th>
<th>ARC</th>
<th>REFUND/EXCHANGE NOTICE</th>
<th>CARRIER'S COPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL AMOUNT REFUNDED/COLLECTED</td>
<td>2237.00</td>
<td>PROSUMER NAME: CHASE/MARISSA</td>
<td>AGENCY CODE NO.</td>
</tr>
<tr>
<td>REDUCED (IF ANY)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT REFUNDED/COLLECTED</td>
<td>2125.11</td>
<td>COMPANY OR AGENT NUMBER</td>
<td></td>
</tr>
<tr>
<td>REDUCED (IF ANY)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT REFUNDED/COLLECTED</td>
<td>2304.80</td>
<td>COMMERCIAL NUMBER</td>
<td></td>
</tr>
<tr>
<td>REDUCED (IF ANY)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT REFUNDED/COLLECTED</td>
<td>57.60</td>
<td>COMMERCIAL NUMBER</td>
<td></td>
</tr>
<tr>
<td>REDUCED (IF ANY)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT REFUNDED/COLLECTED</td>
<td>0</td>
<td>COMMERCIAL NUMBER</td>
<td></td>
</tr>
<tr>
<td>REDUCED (IF ANY)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT REFUNDED/COLLECTED</td>
<td>57.60</td>
<td>COMMERCIAL NUMBER</td>
<td></td>
</tr>
<tr>
<td>REDUCED (IF ANY)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Is this a straight refund, add collect, even exchange or refund with exchange?

b. What is the new ticket number?

c. What date was this REN issued?

d. What is the base fare of the old ticket?

e. What is the amount of U.S. tax?

f. What is the amount of the segment tax (ZP)?