



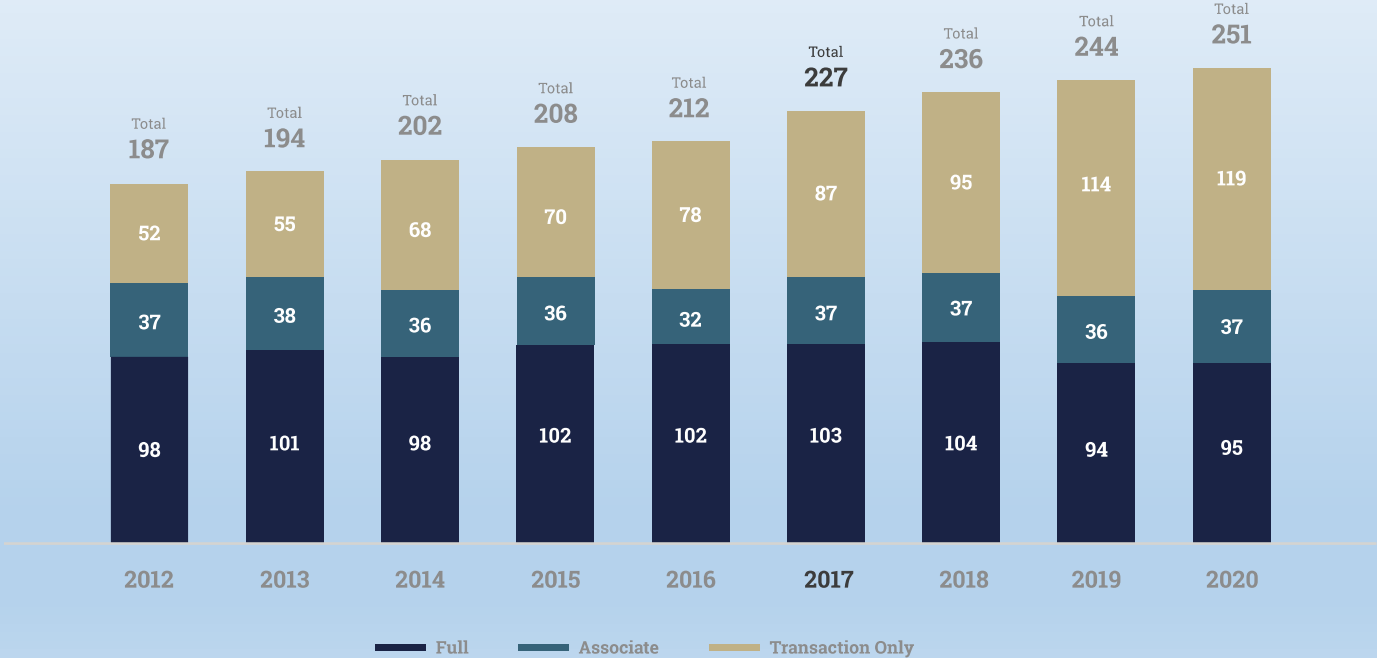
Michael Herrity
Sr. Manager, Settlement Operations

Update on ARC

- ARC Settlement by the Numbers.
- Eliminating “Carrier” from our vocabulary.
- Consolidating our three Area Banks into one.
- New Forms of Payment
- New Settlement
- Where is ARC Today with NDC and One Order?

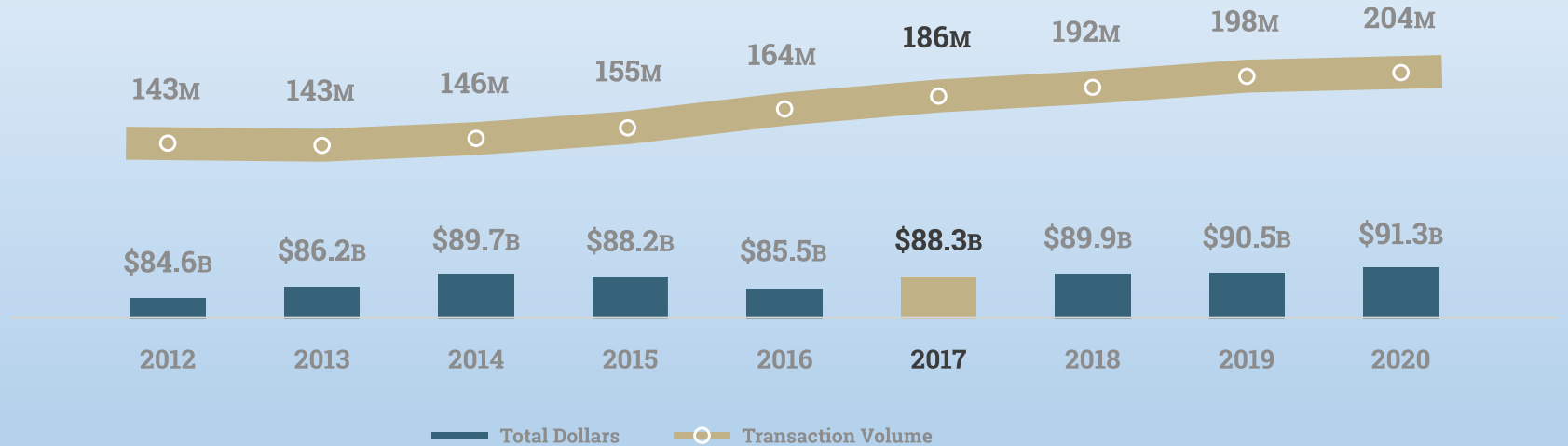
Airline Participation Mix

2012-2020



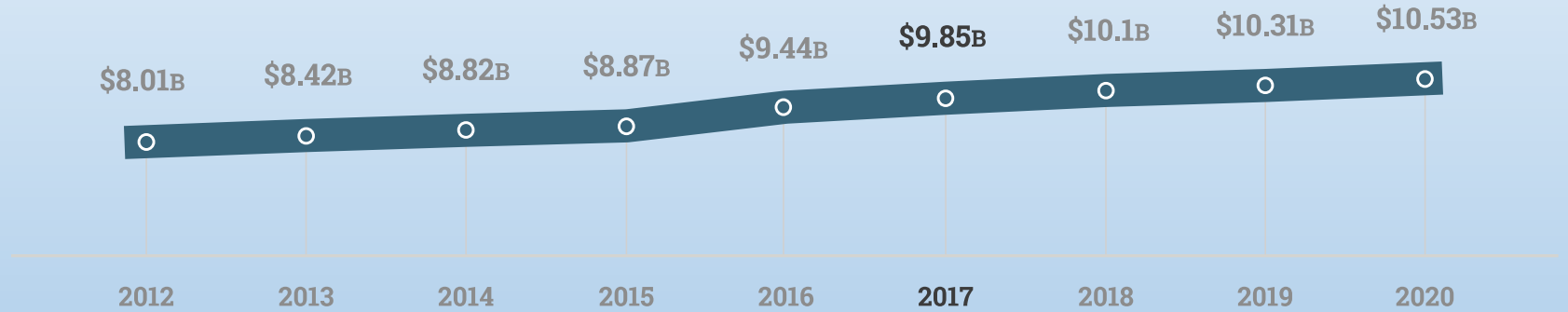
ARC Transactions

Volume & Dollar Amount



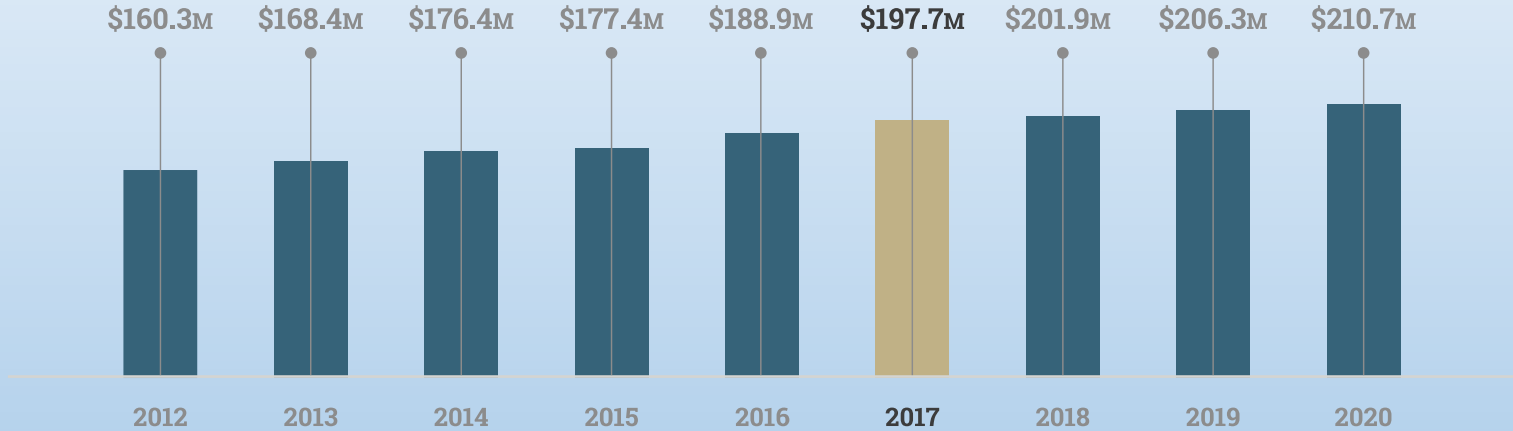
ARC Cash Sales

In Billions



Airline Cost Avoidance

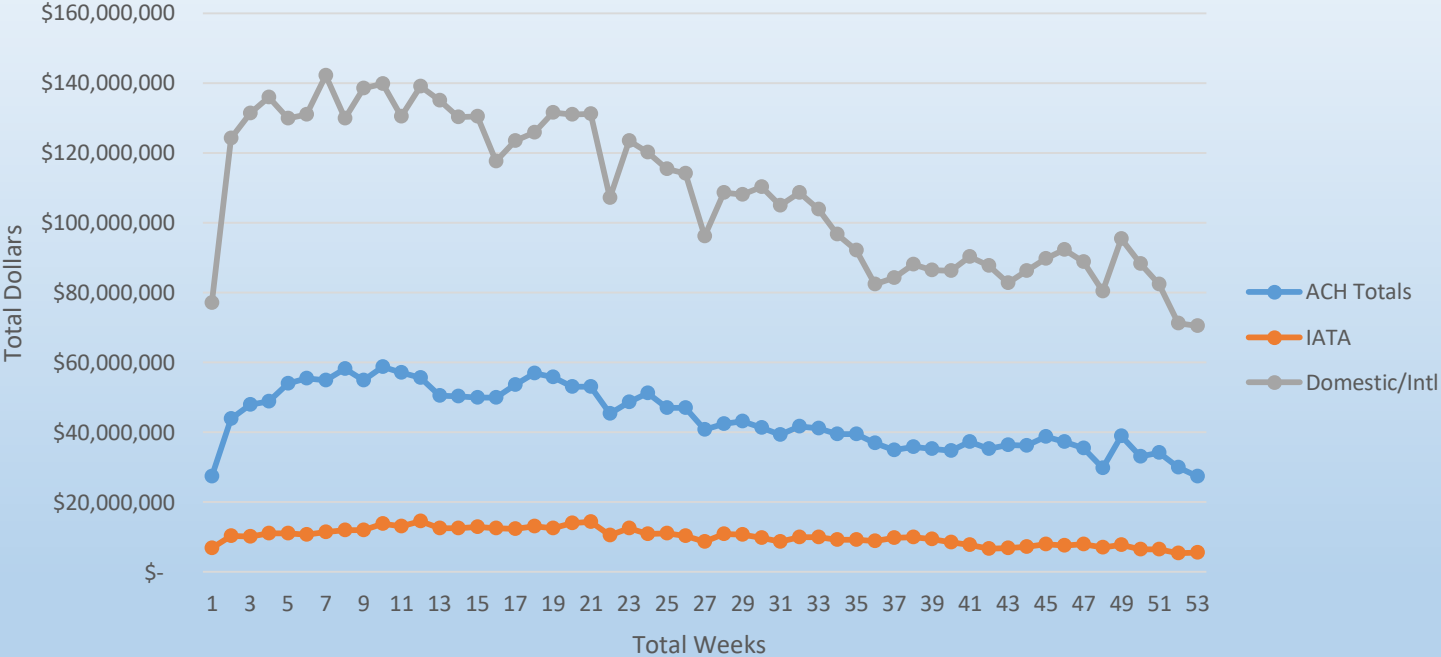
In Millions



ACH By the Numbers

- **Eight airlines currently using ACH for weekly ARC settlement.**
- **Porter Airlines, Tropic Air, and CM Airlines**
- **\$2.325 Billion**
- **Never to late to save on fees**

Total Settlement



What's going on at ARC today?




What's a Carrier?



It's Airlines Reporting Corporation



Consolidating to One Area Bank

Report ID	User ID (N/A)	REF NBR (B*MM*W*C)	PED (yy/mm/dd)	Date	Time	Dist. Name
 CARRPTS	C890101	7-01-3-7	18/01/21	01/24/2018	07:17.30 PM	CARRIER REPORTS
 CARRPTS	C890101	4-01-3-7	18/01/21	01/24/2018	07:16.13 PM	CARRIER REPORTS
 CARRPTS	C890101	5-01-3-7	18/01/21	01/24/2018	07:15.38 PM	CARRIER REPORTS

New Forms of Payment



Business Technology Transformation

As ARC undergoes this transformation, we will work to ensure our objectives are met and that our efforts enhance ARC's ability to compete in a shifting landscape. Across all of our enhancements and transitions, we will measure success in terms of:

- Speed to Market
- Simplification
- Flexibility
- Performance
- Availability
- Data Integrity
- Data-Driven
- Customer-Focused View
- Automation

ARC and NDC

Where do things stand today?

THE LATEST

ARC's Enhanced Settlement Platform is Now Live

BY MEGAN LEADER • FEBRUARY 21, 2018

ARC, in partnership with British Airways, has successfully tested and implemented enhancements to its settlement platform.

As a result, ARC is equipped to facilitate the full spectrum of distribution strategies (including New Distribution Capability, or NDC) for all ARC participating airlines, while continuing to support existing systems and processes. Initially [announced at TravelConnect 2017](#), this implementation gives airlines and travel agencies more options to create bilateral agreements that make enriched, customized air travel content more accessible.

Since October, ARC and British Airways have partnered to test this platform, ensuring its reliable performance in processing nonstandard transactions. "British Airways is excited to be the first test partner for ARC's enhanced settlement functionality, which enables us to evolve our distribution strategy with the travel agency channel," said Simon Brooks, British Airways' senior vice president, sales for North America.

"ARC has always been a trusted partner to British Airways, and we have valued their flexibility, responsiveness and collaboration during this testing process," he said. "These enhancements will aid us in developing our relationships with agencies, and they set the stage for our growing distribution strategy in the U.S."

Enhanced Distribution - Release 1

Features

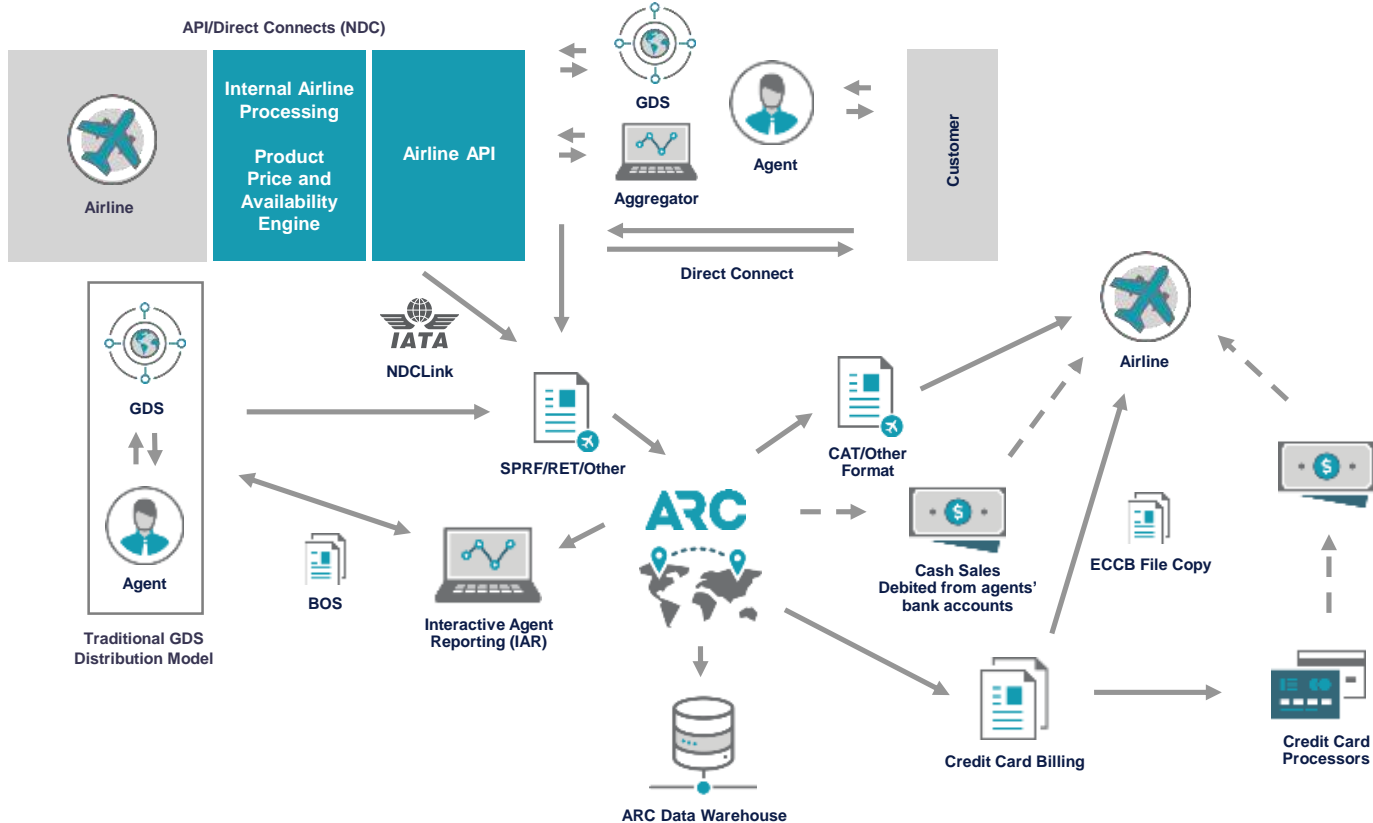
- Accept airline or neutral ticket stock
- Process multiple file formats (SPRF/RET*)
- Integrated with IATA NDC Link
- Credit card billing options – airline or ARC initiates credit card billing
- Option to prevent IAR error correction or modifications
- NDC identifier in agency sales reporting tool (IAR)
- Output of NDC and non-NDC transactions on agency BOS file
- Output of NDC and non-NDC transactions on CAT

*Limited functionality available for RET processing

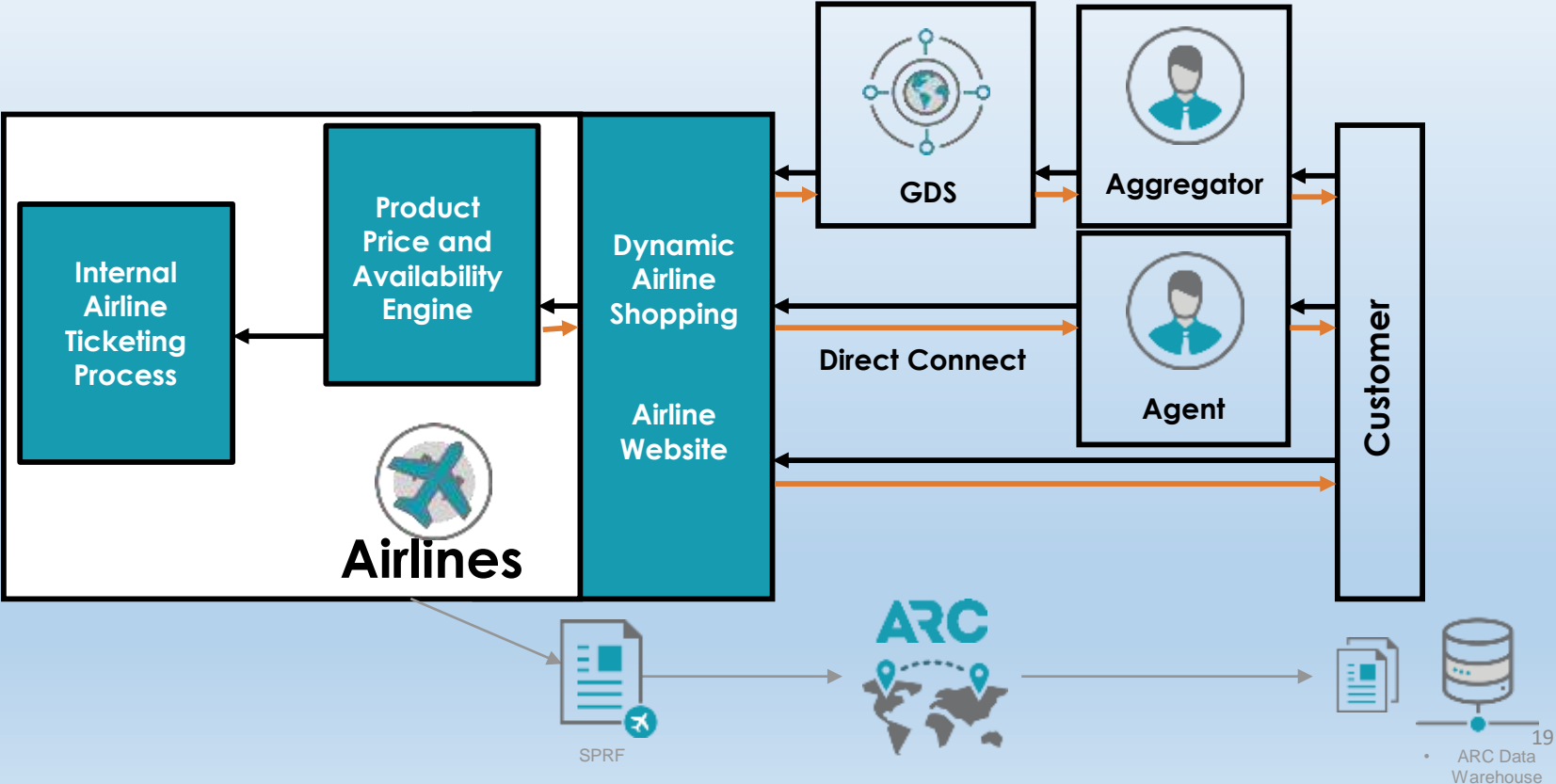


Airline testing: Nov. 2017 – January 2018
Code implementation on: Feb. 8, 2018

Airline Distribution – Agency Channel ARC Process Flow



Airline Distribution – Agency Channel with NDC & ARC



What Should Your Agency Do Next?

ARC encourages travel agents to reach out to your key airline partners and GDSs to find out details around their NDC roadmap

- Several factors will drive how you approach NDC
 - Agency size and model (OTA, Leisure, Corporate, Consolidator)
 - Technology resources and budget
 - Market (Europe/Asia/South American focused)
- Resources materials (examples)
 - ARC - webinars, panels/presentations at industry events, TravelConnect sessions, LinkedIn posts, and re-launching our dedicated NDC website
 - GDSs – webinars, panel/presentations around the industry, resources on their websites
 - IATA has a variety of resources – webinars, panels/presentations at industry events, dedicated website, variety of documents, training sessions, training videos and other digital resources

One Order

ARC



TRAVEL CONNECT '18

October 11-12, 2018

Gaylord National Resort & Convention Center
National Harbor, Maryland





Questions

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