

2018 Annual Revenue Accounting Committee





Airlines Clearing House Update



Activities

- USS Settlements
- PFC Settlements
- Dynamic Pricing
- Simplified Involuntary Reroute Settlement
- SIS Steering Committee
- Fuel Consortiums
- Clearing House

National Administrative Professionals Day



Did you know it's?

National Hug a Plumber Day



USS Settlements

- ACH began processing USS remittances to non-Clearing House Merchants in January
 - Applicable to ACH Member-Issuers based in U.S. or Montreal
 - Processed within ACH Settlement
 - Affected Issuers no longer required to fund USS separately
 - Aggregated within ACH Settlement
 - Merchants offered choice of remittance method

- 15 airlines processing, 5 in joining stages
- \$1.8B processed in 2017
- Refunds eligible to be submitted
- Quarterly reporting included
 - Sent to all airports with copies to airline
- Annual reporting for audits also available
- PFC Advisory Board established

Dynamic Pricing

- Attended ATPCO Dynamic Pricing Working Group Meeting
 - Provided Input on Impact to Revenue Accounting
 - Attendance by Revenue Accountants was critical in addressing Revenue Accounting issues during design phase
 - Continuing to work with ATPCO to ensure sales audit and interline issues are considered in solution



Simplified Involuntary Reroute Settlement

- SIRS is Multilateral Agreement with same settlement rules as ACH
 - Provides for bilateral simplified settlement of involuntary reroutes between members of SIRS
 - ACH Membership not required
 - Air India latest airline to join
 - Very active Steering Committee
 - Considers amendments to the Agreement
 - Currently analyzing establishing separate rates for premium and economy cabins

SIS Steering Committee

- Prioritization of Change Requests (CMPs)
- SIS Financial and Operational Review
 - Considerable debate and discussion on how to price the product to eliminate assessments
- Service Organization Control (SOC₂) Audit complete for 2017
 - No exceptions
 - Report will be available to SIS Participants upon signature of NDA
- SLA and KPI review

Fuel Consortiums

- ACH working with A4A to implement ACH for Fuel Consortiums
 - Objective to reduce/eliminate deposits
 - Deposits typically represent two months of bills
 - Supplier holds \$700K deposit at Reno alone
 - 31 established fuel consortia in U.S.
 - Corporations and LLCs created by airline members
 - Contracts with Supplier to operate location
 - Swissport, Allied and ASIG

Clearing House

- 12 Settlement Shortages
 - Remitted late
 - Represented .0058% of total net balances due
- 3 Bankruptcies
 - Island Air, Penn Air & Insel Air Aruba
 - Total default \$169K
- \$9.6B in receivables net settled in 2017
- 7 New Members
- 5 Terminations

2018 Objectives

- Operate within budget
- PFC Settlements
 - Expand participation
 - Increase functionality
- Fuel Consortiums
 - Launch pilot location
- Promote Simplified International Involuntary Reroute Settlement
- Monitor Paperless ,NDC and One Order initiatives for impact to ACH procedures



Questions?