



Multilateral Simplified Involuntary Reroute Settlement

Overview

The information contained within is for informational purposes only. It is not intended to replace the terms and conditions contained in the Multilateral Involuntary Reroute Settlement Agreement.

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Multilateral Involuntary Reroute Settlement Overview

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Multilateral Involuntary Reroute Settlement Overview

Introduction

At the 2012 IATA Revenue Accounting Meeting interest was expressed by the Revenue Accounting Participants for the industry to develop and adopt an optional and voluntary multilateral agreement for settlement of involuntary reroute transactions.

Because Airlines Clearing House (ACH) participants settled their involuntary reroute transactions with one another using a simplified process for over 30 years, it was decided to leverage the existing ACH infrastructure to develop a similar process for the IATA Revenue Accounting Meeting participants.

Subsequent to the Meeting a modified process, using the existing ACH process and infrastructure as the basis, was developed for the IATA Revenue Accounting Meeting participants. IATA, ATPCO, Accelya, ACH and 10 airlines worked together to develop, test and implement the Multilateral Involuntary Reroute Settlement process.

Process for Multilateral Involuntary Reroute Settlement

ACH contracts with ATPCO and Accelya to calculate monthly settlement percentage rates for nine (9) global regions for world-wide use. ATPCO filters participating airlines' daily ISR files to eliminate certain transactions. The filtered file is sent to Accelya whereby a 1% sample is selected using the then current IATA Sample Digit. The 1% sample is prorated by the NFP using industry standard IATA Multilateral Prorate Agreement (MPA) proration.

Each coupon from the 1% sample is separated into one of the nine global regions based on the coupons' origin and destination. The settlement percentage rates for each global region are calculated by dividing the sum of the flight coupons' industry prorate values by the sum of the same flight coupons' IATA weighted mileage factors. The calculated settlement percentage rates are used to determine the settlement amount for involuntary reroute transactions between concurring parties of the Multilateral Involuntary Reroute Settlement Agreement.

The Role of ATPCO

On a daily basis ATPCO sorts, filters and sends sales data to the NFP for each participant that has authorized its sales to be used for calculating the involuntary reroute settlement percentage rates.

The Role of Accelya

Accelya, as the provider of the NFP, extracts 1% of the sales, prorates the 1% of sales using industry standard MPA logic; excludes coupons that fall outside of established tolerances; separates the remaining prorated coupons into the applicable global regions; determines the IATA weighted mileage factor for each prorated coupon; and calculates the settlement percentage to be used in settlement for each global region by dividing the sum of the prorate amounts by the sum of the IATA weighted mileage factors.

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The Role of ACH

ACH is the administrator of the Agreement and has contracted with ATPCO and Accelya to perform the service. Airlines interested in becoming a party to the Multilateral Involuntary Reroute Settlement Agreement will enter into the Agreement with ACH. Upon acceptance, an airline will be eligible to concur to the terms of the Agreement with other Parties to the Agreement, and if it chooses, to authorize its sales to be used in the process to calculate the settlement percentage rates.

The Role of IATA

IATA facilitates and supports the project.

Joining

The Multilateral Involuntary Reroute Settlement Agreement is an optional and voluntary Agreement between ACH and participating airlines (“Parties”). Parties to the Agreement are eligible to enter into Concurrence Agreements with other Parties, but are not required to. Similarly, a Party to the Agreement is eligible to authorize ATPCO to include its sales in the process that determines the applicable monthly settlement percentage rates, but is not required to.

Step One

Execute the Agreement by:

- Adding your company name and address on page 2
- Insert contact information on page 7
- Sign page 8
- Complete Appendix C (page 19)
- Determine if your airline will submit sales data, and if so, complete Appendix E
- Return all completed documents to ACH (may be scanned and emailed)

Questions may be sent to ach@airlines.org

Once received and accepted, ACH will:

- Notify all other Parties of the added participation by the new Party
- Return a countersigned copy of the Agreement to the individual listed on Appendix C
- If Appendix E has been completed, notify ATPCO and Accelya of the additional sales data to be included in the process
- Invoice the new Party the annual participation fee of \$1,500. If the Party has joined in the middle of a year, the fee will be prorated for the current year and invoice the full year participation fee in January of the following year.

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Step Two

Execute the Concurrence Agreement in Appendix D with other Parties to the Multilateral Involuntary Reroute Settlement Agreement and return to ACH. (A list of current Parties to the Agreement can be found on the Involuntary Reroute Settlement website.)

Once received and accepted, ACH will:

- Update its records

Website

The ACH Public Website located at www.airlinesclearinghouse.com contains information regarding the Simplified Involuntary Settlement process.

Monthly Rates

Monthly settlement percentage rates for each of the nine (9) global regions are established by dividing the MPA prorate amount by the IATA weighted mileage factor of each coupon from 1% of sales issued by Parties that have authorized its sales to be included in the calculation. Specific sales transactions are excluded from the calculation as defined in the Agreement.

The applicable monthly settlement percentage rate is applied to the IATA weighted mileage factor of the applicable involuntary reroute coupon or FIM, based on the origin and destination of the involuntary reroute coupon or FIM, to determine the settlement value.

ACH will issue a communication by no later than the 20th of each month to each Party's designated individuals regarding the applicable involuntary reroute settlement percentage rates for each global region. The rates are applicable to original billings in the next calendar month. Current and historical monthly rates can also be found at www.airlinesclearinghouse.com under "Resources".

Tickets

Provided an applicable involuntary reroute ticket has been issued on or after the effective date as listed in the Concurrence Agreement between the two Parties, then the monthly rate to be used shall be that in effect on the date the applicable involuntary reroute ticket was issued.

Example:

If the below ticket example is invoiced to the issuing airline in September 2017 use the rate in effect for September 2017; and if the below ticket example is invoiced to the issuing airline in October 2017, still use the rate that was in effect in September 2017.

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Assume in the below example that coupon 1 was invoiced to the issuing airline in September 2017 and coupon 2 was invoiced in October 2017.

PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO XXXX ETKT		FLIGHT COUPON 1 OF 2	
ISSUED BY: DELTA AIR LINES INC	DATE OF ISSUE: 04SEP17	ISS OFF CODE: DL	INSI: ISO: US
NAME OF PASSENGER (NOT TRANSFERABLE): BIGHAM/ELIZABETHCAMPBELLMS	ISS AGT ID: DLAD	PLACE OF ISSUE: JFKFTO	TOUR CODE: ITINVOL
FROM: JFK - New York	CARRIER/FLIGHT: LH 405	CLASS/DATE: Y 04SEP17	TIME: 955P
TO: FRA - Frankfurt	REVALIDATION:	RES: OK	INVALID BEFORE: INVALID AFTER:
ENDORSEMENTS/RESTRICTIONS INVOL REROUTE - VALID FOR SPECIFIED TRAVEL ONLY		PNR CODE GMFRPU	CONJ TKT NO:
ORIGINAL ISSUE: 0067240868083 BOS 26MAR17	ISSUED IN EXCHANGE FOR: \0067240868083 2		FARE BASIS: TKWT7/LN106
FARE CALCULATION ATL DL X/NYC DL MIL M/IT TKWT7/LN106 /ROM DL ATL M/IT UKWT7/LM106 END XF ATL 4.5JFK4.5			
FARE: IT	EQUIVALENT FARE PAID:	FORM OF PAYMENT: EFCHECK	
TAX: SEE COUPON	PCS:	CK WT:	UNCK WT:
TAX: IT	STOCK CONTROL NUMBER TX	SEQ NO:	ALLOW: PCS:
TOTAL: IT	DOCUMENT NUMBER 1 123 4567890123 4	CK WT:	UNCK WT:

PASSENGER TICKET AND BAGGAGE CHECK PASSENGER COUPON			
PRIMARY TICKET NUMBER 0062147734450			
A/L: FLIGHT: COS: DATE: FROM: TO: LH 405 Y 04SEP17 JFK FRA	FARE BASIS: TKWT7/LN106		
A/L: FLIGHT: COS: DATE: FROM: TO: LH 252 Y 05SEP17 FRA MXP	FARE BASIS:		
A/L: FLIGHT: COS: DATE: FROM: TO: FARE BASIS:	A/L: FLIGHT: COS: DATE: FROM: TO: FARE BASIS:		
***** NOT VALID FOR TRAVEL			
A/L: FLIGHT: FROM: TO: CMPT: LH 405 JFK FRA Y	DATE: 04SEP17		
ESAC: 2200560675860			
DOCUMENT NUMBER: 1 123 4567890123 4			
Lifted Coupon			

Applicable Original Clearance Month	Settlement Rates by Global Region									
	A	B	C	D	E	F	G	H	I	J
Jul-2017	7%	10%	n/a	11%	9%	9%	10%	10%	7%	n/a
Aug-2017	8%	10%	n/a	11%	9%	10%	10%	10%	8%	n/a
Sep-2017	7%	10%	n/a	10%	9%	10%	10%	10%	7%	n/a
Oct-2017	7%	9%	n/a	10%	9%	9%	10%	10%	7%	n/a

Settlement calculation for the above example:

Document	Coupon	IATA Weighted Mileage Factor	Applicable % Rate	Settlement Amount
TKT	1	4843	9%	\$435.87
TKT	2	685	10%	\$68.50

FIMS

Provided an applicable FIM is invoiced in any period of the month, on or after the effective date as listed in the Concurrence Agreement between the two Parties, then the monthly rate to be used shall be that in effect during the invoice month.

Example:

If the below FIM example is invoiced to the issuing airline in September 2017 use the rate in effect for September 2017; and if the below FIM example is invoiced to the issuing airline in October 2017, use the rate that is in effect in October 2017.

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Assume in the below example that coupon 1 was invoiced to the issuing airline in September 2017 and coupon 2 was invoiced in October 2017.

ISSUED BY Sweet Air Lines		FLIGHT INTERRUPTION MANIFEST		FLIGHT COUPON									
TO	CARRIER	FLIGHT NBR	DATE	DATE OF ISSUE		VALIDATION							
JFK	YY	123	29/9/17	Sep 29, 2017									
FRA	YY	456	30/9/17										
TO	CARRIER	FLIGHT NBR	DATE										
MXP													
PASSENGER NAMES VOID UNUSED NAME LINES		TICKET(S)						FARE BASIS ORIGINAL TICKET	NEW CLASS TO BE USED		EXC BAG PCS/ WT	ACCTG USE ONLY	ORIG FLT NO AND DATE
CPN	AIRLINE	FORM	SERIAL NUMBER			CK		COUPON 1	COUPON 2				ORIG ROUTING
1	Doe/John	1	123	456	1237890	1	YK01	Y	Y				<input type="checkbox"/> CXLD <input type="checkbox"/> DELAY <input type="checkbox"/> MISCON <input type="checkbox"/> MECH <input type="checkbox"/> WX <input type="checkbox"/> ATC <input type="checkbox"/> OTHER
2	Doe/Jane	1	123	456	1237891	1	YK01	Y	Y				
3													
4													
5													<input type="checkbox"/> CPN PULLED AT
FLIGHT INTERRUPTION MANIFEST		Passenger Count (Block Letters)		1 000 0000000000 0									

Applicable Original Clearance Month	Settlement Rates by Global Region									
	A	B	C	D	E	F	G	H	I	J
Jul-2017	7%	10%	n/a	11%	9%	9%	10%	10%	7%	n/a
Aug-2017	8%	10%	n/a	11%	9%	10%	10%	10%	8%	n/a
Sep-2017	7%	10%	n/a	10%	9%	10%	10%	10%	7%	n/a
Oct-2017	7%	9%	n/a	10%	9%	9%	10%	10%	7%	n/a

Settlement calculation for the above example:

Document	Coupon	IATA Weighted Mileage Factor	Applicable % Rate	Settlement Amount	# of Passengers	Final Settlement Amount
FIM	1	4843	9%	\$435.87	2	\$871.74
FIM	2	685	9%	\$61.65	2	\$123.30

Global Regions

Applicable settlement percentage rates are calculated for 10 global regions each month. They are described in detail within the Agreement and abbreviated below:

- A. Within TC1, Excluding within North America
- B. Between TC1 and North America, Excluding within North America
- C. Intentionally Left Blank
- D. Within North America
- E. Transatlantic
- F. Within TC2
- G. Trans Pacific
- H. Within TC3

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- I. Between TC2 and TC3
- J. Other (designed to catch anything that does not fall in the above categories and will be investigated immediately should it be populated)

The origin and destination of the applicable coupon determines which global region settlement percentage rate to use. Therefore, for a multi coupon involuntary reroute ticket or FIM, it's possible that each coupon will have different applicable settlement percentage rates.

Example:

Coupon 1 JFK-FRA: Use E-Transatlantic rate

Coupon 2 FRA-MXP: Use F-WithinTC2 rate

Applicable Original Clearance Month	Settlement Rates by Global Region									
	A	B	C	D	E	F	G	H	I	J
Jul-2017	7%	10%	n/a	11%	9%	9%	10%	10%	7%	n/a
Aug-2017	8%	10%	n/a	11%	9%	10%	10%	10%	8%	n/a
Sep-2017	7%	10%	n/a	10%	9%	10%	10%	10%	7%	n/a
Oct-2017	7%	9%	n/a	10%	9%	9%	10%	10%	7%	n/a

<p>PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO XXXX ETKT</p> <p>ISSUED BY: DELTA AIR LINES INC</p> <p>ISS AGT ID: DL/AD</p> <p>NAME OF PASSENGER (NOT TRANSFERABLE): BIGHAM/ELIZABETHCAMPBELLMS</p> <p>FROM: JFK - New York CARRIER/FLIGHT: LH 405 CLASS/DATE: Y 04SEP17 TIME: 955P RES: OK TO: FRA - Frankfurt REVALIDATION:</p> <p>ENDORSEMENTS/RESTRICTIONS INVOL REROUTE - VALID FOR SPECIFIED TRAVEL ONLY</p> <p>ORIGINAL ISSUE: 0067240868083 BOS 26MAR17</p> <p>FARE CALCULATION ATL DL XNYC DL MIL /MIT TKWT7/LN106 /ROM DL ATL /MIT UKWT7/LM106 END XF ATL 4.5JFK4.5</p> <p>TAX: SEE COUPON PCS: CK WT: UNCK WT: SEQ NO: ALLOW: PCS: CK WT: UNCK WT:</p> <p>TOTAL: IT</p>	<p style="text-align: center;">FLIGHT COUPON 1 OF 2</p> <p>DATE OF ISSUE: 04SEP17 ISS OFF CODE: DL INSI: ISO: US</p> <p>PLACE OF ISSUE: JFKFTO</p> <p>FARE BASIS: TKWT7/LN106</p> <p>A/L: FLIGHT: COS: DATE: FROM: TO: LH 405 Y 04SEP17 JFK FRA</p> <p>A/L: FLIGHT: COS: DATE: FROM: TO: LH 252 Y 05SEP17 FRA MXP</p> <p>PNR CODE: GMFRPU</p> <p>***** NOT VALID FOR TRAVEL *****</p> <p>A/L: FLIGHT: FROM: TO: CMPT: LH 405 JFK FRA Y</p> <p>DATE: 04SEP17 ESAC: 2200560675860 DOCUMENT NUMBER: 1 123 4567890123 4</p> <p style="text-align: right;">Lifted Coupon</p>
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Other Considerations

Other considerations contained in the Agreement are:

Identification of Involuntary Rerouting

Passenger tickets shall be identified as having been issued in accordance with IATA Resolution 735d when the letters “INVOL”, “INVOLUNTARY”, “IV”, “INV”, “IRR”, “IRRES” or any other valid reason appear within the fare basis/ticket designator, endorsements and/or tour code field of the ticket; or when “I” precedes the fare calculation.

Exceptions:

1. Effective with documents issued January 1, 2018 and beyond, when first flight date of the Involuntary Reroute Ticket or FIM is three (3) days more from the Involuntary Reroute Ticket or FIM issue date, then the document shall be treated as a Schedule Change and the terms of the Agreement shall not apply.

Example: The below ticket’s issue date is three (3) days prior to the first scheduled departure date and will be treated as though it’s a Schedule Change even though the ticket does indicate it is an INVOL:

<p>PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO XXXX ETKT</p> <p>ISSUED BY: United Airlines</p> <p>ISS AGT ID: UA/AD</p> <p>NAME OF PASSENGER (NOT TRANSFERABLE): BIGHAM/ELIZABETHCAMPBELLMS</p> <p>FROM: IAD - Washington DC</p> <p>TO: LAX - Los Angeles</p> <p>ENDORSEMENTS/RESTRICTIONS INVOL REROUTE - VALID FOR SPECIFIED TRAVEL ONLY</p> <p>ORIGINAL ISSUE: 0167240868083 IAD 08MAY17</p> <p>FARE CALCULATION IAD AC YYZ AC YWG END 278.00</p> <p>FARE: 246.16</p> <p>TAX: 31.40</p> <p>TOTAL: 278.00</p>	<p>FLIGHT COUPON 1 OF 4</p> <p>DATE OF ISSUE: 17JUL17</p> <p>ISS OFF CODE: UA</p> <p>INS: ISO: US</p> <p>PLACE OF ISSUE: IADFTO</p> <p>FARE BASIS: TKWT7/LN106</p> <p>TOUR CODE: INVOL</p> <p>FI: 9</p> <p>INVALID BEFORE: INVALID AFTER:</p> <p>PNR CODE GMFRPU</p> <p>CON: TKT NO:</p> <p>ISSUED IN EXCHANGE FOR: 0167240868083 2</p> <p>FORM OF PAYMENT: EFCHECK</p> <p>SEQ NO: ALLOW: PCS: CK WT: UNCK WT:</p> <p>STOCK CONTROL NUMBER TX</p> <p>DOCUMENT NUMBER 1 016 4567890123 4</p>	<p>PASSENGER TICKET AND BAGGAGE CHECK PASSENGER COUPON</p> <p>PRIMARY TICKET NUMBER 0062147734450</p> <p>A/L: FLIGHT: COS: DATE: FROM: TO: UA 405 Y 04MAY17 IAD FRA</p> <p>FARE BASIS: TKWT7/LN106</p> <p>A/L: FLIGHT: COS: DATE: FROM: TO: LH 252 Y 05MAY17 FRA MXP</p> <p>FARE BASIS:</p> <p>A/L: FLIGHT: COS: DATE: FROM: TO: AZ 111 Y 10MAY17 MXP FCO</p> <p>FARE BASIS:</p> <p>A/L: FLIGHT: COS: DATE: FROM: TO: UA 406 Y 10MAY17 FCO IAD</p> <p>FARE BASIS:</p> <p>***** NOT VALID FOR TRAVEL</p> <p>A/L: FLIGHT: FROM: TO: CMPT: LH 405 JFK FRA Y</p> <p>DATE: 04MAY13</p> <p>ESAC: 2200560675860</p> <p>DOCUMENT NUMBER: 1 016 4567890123 4</p> <p>Lifted Coupon</p>
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2. Effective with tickets issued January 1, 2019 and beyond, if any coupon(s) of an INVOL ticket has a ticketed departure date that is five (5) days or more from the INVOL ticket’s issue date, then that coupon(s) shall not be treated as an INVOL.

Example: The below coupon’s departure date is five (5) days after the ticket’s issue date. Therefore, the coupon will not be treated as an INVOL and the terms of this Agreement shall not apply.

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PASSENGER TICKET AND BAGGAGE CHECK		FLIGHT COUPON	
SUBJECT TO XXXX		3 OF 3	
ETKT			
ISSUED BY: United Airlines	DATE OF ISSUE: 17JAN19	ISS OFF CODE: UA	INSI: ISO: US
ISS AGT ID: UA/AD	PLACE OF ISSUE: IADFTO		
NAME OF PASSENGER (NOT TRANSFERABLE): SMALLHAT/ELIZABETHCAMPBELLMS	FARE BASIS: TKWT7/LN106	TOUR CODE: INVOL	FI: 9
FROM: ORD - Chicago	CARRIER/FLIGHT: AA 95	CLASS/DATE: Y 22JAN19	TIME: RES: 655A OK
TO: LAX - Los Angeles	REVALIDATION:	INVALID BEFORE:	INVALID AFTER:
ENDORSEMENTS/RESTRICTIONS INVOL REROUTE - VALID FOR SPECIFIED TRAVEL ONLY		PNR CODE AMFRPU	
ORIGINAL ISSUE: 0167240868083 IAD 08MAY17	ISSUED IN EXCHANGE FOR: 1 0167240868084 3	CONJ TKT NO:	
FARE CALCULATION SFO AA LAX AA ORD AA SFO END 278.00			
FARE: 246.16	EQUIVALENT FARE PAID:	FORM OF PAYMENT: EFCHECK	
TAX: 31.40	PCS:	CK WT:	UNCK WT:
TAX:	SEQ NO:	ALLOW:	PCS:
TAX:	STOCK CONTROL NUMBER TX	CK WT:	UNCK WT:
TOTAL: 278.00	DOCUMENT NUMBER 1 016 4567890124 5		

Schedule Change

The settlement amounts determined in accordance with the Agreement shall not apply to documents reissued due to schedule change.

Diversions-FIMS

The terms of this Agreement apply to FIMs when the reason for issuance states it was a diversion and there is a Concurrence Agreement between the billing airline and the airline identified in the diversion area of the FIM.

Multiple Passenger FIMS

When a FIM has been issued for multiple passengers, the amount shall be multiplied by the number of passengers to determine the settlement amount.

Discounts

No further discounts are applicable unless bilaterally agreed between two Concurring Parties.

Interlineable Taxes, Fees and Charges

Interlineable taxes, fees and charges apply in accordance with RAM rules.

ISC

ISC shall be applicable in accordance with IATA Resolutions unless otherwise bilaterally agreed between two Concurring Parties.

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YQ/YR

YQ and YR charges are not included with or to be added to the final settlement amount unless bilaterally agreed between two Concurring Parties.

Other Agreements Between Two Concurring Parties

Bilateral Agreements specifying terms of settlement of involuntary reroute tickets and FIMs between two Concurring Parties supersede the terms of this Agreement unless otherwise agreed between the two Parties.