



# Airline Billing Settlement WG

Update



# Airline Billing Settlement WG (ABS WG)– Brief Introduction

- ➔ ABS Working Group was created shortly after the 2022 WFS Conference in Doha (replaces the IBS WG - Interline Billing and Settlement WG)
  - ➔ Consists of about 80 members from various carriers and organizations, and service providers throughout the industry
    - Chair - Benaifer Bhathena (West Jet), Vice-Chair - Daniel Erler (Hahn Air)
    - 36 Members (Primary Voters)
    - 26 Observers (can attend meetings and participate in discussions but have no voting rights)
    - 8 Alternate members (Alternate Voters)
    - 9 Others
    - 1 Secretary of the ABS WG (Altug Meydanli)
  - ➔ Two Main Objectives:
    - Primary-Develop billing and settlement BRD, and procedural standards that facilitate the exchange of required data for billing and settlement between carriers and any 3<sup>rd</sup> party transportation provider using Enhanced and Simplified Distribution based on the Offer and Orders standards.
    - Secondary-Review and endorse proposals to amend *existing* IATA RAM rules (Passenger and Cargo).

# ABS WG—Busy Year



# 1<sup>st</sup> F2F Meeting – Montreal, Canada

- 10 Carriers
  - 5 ACH
  - 5 IATA
  - 9 Others



# 1<sup>st</sup> F2F Meeting – Montreal, Canada

- Main order of business—continue to work on the Offer and Order Billing and Settlement BRD
  - Reference Documents to be used in creating the BRD:
    - RAM Chapter B8-Enhanced and Simplified Distribution Capability
    - SRSIA-Standard Retailer and Supplier Interline Agreement
    - Offer and Order Implementation Guide
    - SwO (Settlement with Orders) BRD
  - The group focused on critical items while drafting the BRD:
    - Interactions between the Retailer and the Supplier
      - Develop a seamless and efficient IL Billing and Settlement standards between IL Partners
      - For our purposes, we were advised to focus on the ‘retailer’ as being an airline
        - Retailers in the Offer and Order world can be enterprises other than an airline

# 1<sup>st</sup> F2F Meeting – Montreal, Canada

- Identifying IL Billing and Settlement rules and requirements in the Offer and Order world
  - Settlement occurs after ‘service’ is provided and not at time of order
    - Important Point—Settlement vs. Invoicing
  - Settlement values shall include fare and applicable TFCs and will be provided at the time of offer acceptance
    - Who is responsible for collecting the correct taxes, Retailer or Supplier?
  - Time Limit for billing and settlement—do we follow the current time limit – 4 months?
    - Shorter time limits
    - Allow some time for systemic issues
  - Rejections process—will rejections still exist?
    - Discussed different scenarios that can cause rejections?
  - What currency will be used for settlement?
    - Currency of supplier’s offer or retailer’s billing currency

# 1<sup>st</sup> F2F Meeting – Montreal, Canada

- How do we handle INVOLs
  - ABS WG advised that per SRSIA any changes to services or products must be made by the retailer—essentially, retailer is responsible for re-shopping the new route in an INVOL situation
  - ABS WG disagreed with this and believe the supplier causing the INVOL should be responsible for re-shopping for the alternate route—IATA Secretary shared our feedback with the Interline WG
- Do Offer and Orders require its own set of Rules, or can we still utilize the current ACH/RAM rules?
  - A Task Force within the ABS WG created to conduct a mapping exercise to determine whether:
    - RAM Rules are not needed anymore
    - RAM Rules needed as is, or
    - RAM Rules needed but require changes applicable to Offers and Orders
  - IWG recommends creating a separate revenue accounting document for Offers and Orders as a Recommended Practice

## 2<sup>nd</sup> F2F Meeting – Madrid, Spain

- Larger participation
  - ACH 8 (6 carriers)
  - IATA 17 (14 carriers)
  - 8 Others



## 2<sup>nd</sup> F2F Meeting – Madrid, Spain

- ➔ JIRA / Confluence platform
  - ➔ Transition from SSW platform to provide enhanced transparency and accessibility for all WG members
    - ABS WG members were all provided access to JIRA/Confluence
    - Provided a short tutorial
    - The latest draft of the BRD is loaded in the application and were advised not to edit the document, instead they should insert comments via Confluence
      - All comments to be discussed in the next meeting
  - ➔ Lufthansa Group-Settlement and Clearance Model Presentation
    - Walked through an IL Billing and Settlement Clearance conceptual model
      - Based on the existing Settlement with Orders (SwO) standards
      - In what was planned as a presentation of a final proposal, turned into a working session
      - After much feedback from the WG and onsite revisions, LH Group was asked to make the necessary changes, after which the ABS WG would review and provide feedback by April 30, 2024.

## 2<sup>nd</sup> F2F Meeting – Madrid, Spain

- ➔ Work continued on the drafting the BRD
- ➔ Hot Topics that were thoroughly discussed:
  - Taxes—who is responsible for accurate calculation/collection/remittance of taxes
    - Options:
      - Supplier provides fare and all applicable TFC's to Retailer with offer, or
      - Retailer responsible for calculating TFC's since Retailer is aware of full itinerary
  - Billing Time Limits
    - Current SRSIA states 'settlement will occur as soon as possible...'—ABS WG advised we need to specify a time limit without ambiguity
    - Current time limit of 4 months—obsolete in the Offer and Order world?
    - Separate time limit rules to handle tickets vs. Offer and Orders in the transitional period?
      - WG voted – Retain the current RAM time limits and utilize the existing rules for Offers and Orders. Airlines retain the flexibility to negotiate different time limits bilaterally.

## 2<sup>nd</sup> F2F Meeting – Madrid, Spain

- IL Disputes/Rejections
  - IWG believes rejections will not exist but after discussions, agree that there may be rejections caused by technical issues
    - ABS WG asked to provide examples of possible rejections for further discussions/solutioning
- Currency of Settlement—*parked*
  - Until a comprehensive end-to-end transaction flow is completed, it is not be feasible to address only the interline billing and settlement part in the Offer and Orders world
- INVOLs/IROPs settlement—*parked*
  - ABS WG will start discussions on settlement of INVOLs after the IWG finalize the disruption structure
  - Schedule Changes would be included in the INVOL discussions handling

## 2<sup>nd</sup> F2F Meeting – Madrid, Spain

- Next Face to Face Meeting
  - ABS WG requested to the next F2F at the next IATA WFS 2024
    - IATA ABS WG Chair advised that IATA Management agree in principle-official *approval pending*
  - If approved:
    - ABS WG Meeting on October 26-27, 2024, in BKK (Sat/Sun)
    - Precedes SIS GM (Oct 28), ICH GM (Oct 29), and WFS (Oct 30-31)



Thank you