ATPCO Update

ACH Annual meeting – Seattle

May 2024

What is the O&D Survey

- Mandatory reporting of itinerary and price data for a sample (10%) of flown tickets by origin and destination

- U.S. Department of Transportation (DOT) collects the data
  - Since the 1960's, certain airlines have been required to report passenger itinerary and pricing data to the United States Department of Transportation (DOT) - The "O&D Survey": § Current regulation: 14 CFR 241 19-7

- Survey data made available to the public on the Bureau of Transportation Statistics (BTS) website

- Data used by economists, airlines, analysts, and others to assist with analyzing and reporting on passenger airline industry matters
  - Traffic patterns
  - Air carrier market share
  - Passenger Flow

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O&D Survey Changes

On 31 January 2023, the DOT published their Final Rule to modernize and amend the O&D Survey requirements.

- Final Rule published in the Federal Register

  - https://www.federalregister.gov/documents/2023/01/31/2022-28535/updates-to-the-origin-destination-survey-of-airline-passengers

- U.S. government regulations covering the new Final Rule are found online

  - https://www.ecfr.gov/current/title-14/chapter-II/subchapter-A/part-241#19-8

- Effective for all travel that occurs on/after 01 July 2025, with first monthly O&D Survey submission due by 15 September 2025

- Referred to as O&D40%

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Summary of Change

Requirement	Current Regulation (14 CFR 241 19-7)	New Regulation (14 CFR 241 19-8)
Reporting Carrier	Large certified U.S air carriers with scheduled passenger service and certain foreign air carriers	**All** U.S. certificated and **commute**r air carriers plus foreign air carriers granted anti-trust immunity
Report Submitter	First Operating Reporting airline in the itinerary	Ticket issuing airline if they are a reporting carrier, else Reporting carrier that is first operating airline in the itinerary
Reporting Event	First lift by Reporting Carrier (operating airline)	First identified lift by an operating airline
Sample Size	10% (tickets ending in 0)	40% (tickets ending in 0,2,7,9)
Reporting Period	Quarterly	Monthly
Detail Level	Aggregated by itinerary	Individual ticket
Total Amount	N/A	Fare & government taxes + mandatory fees
Total Tax	N/A	Sum of government taxes contained in Total Amount
Dwell Time	N/A	Elapsed time between flights at each airport
Via Points	N/A	Stopovers at intermediate point(s) as part of a direct or through flight.
Fare Basis Code	Mapped to defined fare codes	Eliminated
Purchase Window	N/A	Three advance purchase groups
Departure Date	N/A	Scheduled departure year-month of each coupon

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What do these changes mean to you?

Determination of eligible tickets

- Revenue vs. non-revenue passenger definitions
  - ZED/MIBA
  - Infants without seats
  - Air Marshals

- Partial reissues are excluded

Who is responsible for reporting the transaction

- Non-US airlines with anti-trust immunity granted by U.S. government will still be required to submit O&D Survey data

- All US airlines (with scheduled passenger service) are now required to file (the plane size limit has been removed)

- Validating Carrier is now the reporting carrier (unless the validating carrier is not required to report)

- *Carriers who do not need to report now may be required to report in the future*

Determination of the amounts to be included

- Inclusive of taxes and fees imposed by non-carrier entities or air carriers, and exclusive of ancillary fees not required to board the plane charged by the air carrier.

- What to be included for frequent flyer tickets (miles vs. dollars)

- Total amounts for full exchanges

- Valid tax values vs other fees using tax codes

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Why ATPCO and ACH got involved

- Neutral industry partners with decades of experience in managing and manipulating large data sets

- Ability to leverage existing Sales Data Exchange (SDE) Data as a source for those participants
  - Industry Sales Record (ISR) ticketing data
    - ~100 customers
    - ~1.3B transactions processed in 2022
    - 2 -year repository
  - Schedules
  - Collected Taxes
    - Determine governmental tax vs. other fee type
  - Data editing, file creation/transformation, file distribution.
  - Automation reduces labor costs

- Experience working with DOT on regulatory process automation

- Experience working with Industry Design Teams to create industry utilities
  - Allowing for sharing of the costs (build once for everyone)

What is the ATPCO SDE process?

- A voluntary ticketing exchange service open to anyone wanting robust, accurate sales data for their internal use or to be distributed to others involved in the ticket transactions

- Daily receipt of ticketing data from 70+ systems/companies (GDS, PSS, Airlines, IATA BSP, ARC)

- Normalization of various inbound data formats to the standard Industry Sales Record (ISR)

- Augmentation of data submitted from other data sources (i.e. schedule data)

- Editing of the data to remove or mask confidential information that should not be shared (i.e. net fares)

- Addressing of transactions to anyone needing a copy

- Data encryption and protection meeting PCI/PII requirements

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What is the proposed joint solution?

- Creation of the O&D Survey Reporting Service (ODSRS)

- We'll be utilizing the existing SDE process to source the transactions for the survey (when available).

  - Participating airlines will need to verify/confirm they are supplying as close to 100% of their sales into the exchange in order to maximize the coverage.

- ATPCO will work with participating airlines to map their existing 'usage' files (aka lift files) to initiate the reporting process

  - This aligns with the first known lift of the ticket requirement

- ATPCO will work with participating airlines to establish each carrier's unique filtering criteria

  - Identification of Frequent Flyer reporting methodology

  - Tickets to be excluded (Air Marshals, Staff Travel, etc)

  - Tolerance levels for tickets requiring review (high value/low value)

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What is the proposed joint solution? (continued)

- Tickets will be edited and processed as usage files are received based on the filtering criteria
  - The Usage reporting cycle will be up to each participating airline but should be daily or weekly
  - Unfound tickets or errors will be made available for review in the system after each usage file is received.
    - Email notification can be configured based on the requirements of the participating airline.
- Upon completion of the calendar reporting cycle, the survey will be generated for airline review and submit to DOT (tbd)
  - This mechanism is still not finalized so is still potentially subject to change

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Why utilize the ACH/ATPCO solution

- Automation of the process reduces labor costs

  - SDE participants benefit from easy implementation

  - Airlines currently not participating can begin utilizing an industry standard data collection and distribution tool.

- Consistent and automated editing of the data prior to submission to DOT

  - Participating carriers use the same rules/edits that will meet DOT expectations

  - Solution driven by over 20 industry organizations

- Trusted and established industrial-sized data transmission

- Industry Utility – allows for the sharing of costs (build once for everyone)

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ATPCO Pricing plan

Industry Sales Record (ISR) — Version 4.05—TCN

Charges per transaction are listed below. An additional monthly royalty charge of USD 1,226 applies when ATPCO sends the ISR transactions to a third party. Codes: TCN, TCNCOPY

Tier	Average transactions per day	SDE Participant 2024 Price	Change from 2023	Other Airlines 2024 Price	Change from 2023
1	0-499	993	57	1,066	61
2	500-999	1,862	106	1,989	113
3	1,000–2,499	4,122	234	4,412	250
4	2,500–4,999	5,748	326	6,148	348
5	5,000–19,999	7,051	400	7,541	427
6	20,000–69,999	8,064	457	8,626	489
7	70,000 or more	9,077	514	9,712	550

ATPCO is planning the O&D Survey as a value-add service to the Sales Data Exchange, meaning:

- Any transactions created to support the O&D Survey will be treated as additional transactions 'received' by you for the day

- Since Sales Data Exchange pricing is based on average daily transactions received this means that any transactions generated for O&D Survey will be added to your daily total to calculate your pricing tier

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Status of ODSRS

- Requirements have been reviewed by Design Team and changes/modifications have been incorporated into the requirements

- Final requirements to be delivered to Developers on June 3

- On going Design Team meeting will be held to provide status and confirm finding/clarify identified opportunities.

- Participant testing projected for 4th quarter 2024

- Participants will need to work with ATPCO to

    - Establish connectivity links

    - Provide contacts so system access can be established

    - Set up one on one training sessions on the interface

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High-Level Milestones

Key DOT Milestones	2024												2025											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Earliest test data reporting period for 19-8 - 01APR24				Delayed																				
Dual Reporting Period					DELAYED MAY2024-JUN2025 - Comparison of 19-7 quarterly vs. 19-8 monthly data (minimum 6 months data for acceptance)																			
Earliest cutover reporting period to 19-8 - 01JAN25													01JAN											
Last required 19-7 reporting period: 01JUN25																		01JUN						
Latest cutover reporting period to 19-8 - 01UL25																			01JUL					
Mandated DOT Receipt of 19-8 Data: 15SEP25																					15SEP			

2023			2024				2025			
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3
DESIGN										
			ARCHITECTURAL DESIGN							
				DEVELOPMENT						
						TESTING				
				TESTING WITH DOT DATES YET NOT ANNOUNCED						
							EARLY CUTOVER PERIOD			
									CUTOVER	

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What needs to happen

- Development will be required for all Reporting Carriers to comply

  - Industry solution is being developed by ATPCO in collaboration with ACH, leveraging Sales Data Exchange processes

  - Revenue accounting system providers

  - Internal airline IT departments or other vendors

- **01 July 2025** and **15 September 2025** dates are mandatory

- Send email to **USDOTSurvey@atpco.net** to be added to industry solution Design Team meetings and project status, and let us know you're interested in participating in this industry solution.

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