



The automation of airline baggage rules

History - The role of Resolutions 300/301 (1/2)

The IATA role in baggage policy

- Airlines generally agree on fares and fare rules using IATA tariff conferences mechanism structured by geographical areas
- In addition tariff "Composite" conference discusses matters of worldwide applicability, such as:
 - fare construction rules,
 - currency standards and
 - baggage allowances & charges.

Resolutions 300/301

- Resolutions 300/301 were introduced to define and apply worldwide baggage standards decades ago...
- Resolutions 300 and 301 establish standard baggage allowances for IATA member carriers. They apply not only to interline travel, but also to online travel on a single carrier.

History - The role of Resolutions 300/301 (2/2)

Resolution 300

Weight concept

- **Resolution 300 (Baggage Allowance Weight System)** establishes:
 - A free checked baggage allowance of
 - 20 kg in economy class,
 - 30 kg in business class and
 - 40 kg in first class, for **most non-U.S. international markets**.
 - An excess baggage charge per kilo of 1.5% of the highest normal economy class fare, and defines how special baggage such as sporting equipment should be handled.

Resolution 301

Piece concept

- **Resolution 301 (Baggage Allowance Piece System)** establishes:
 - A free checked baggage allowance of
 - 2 pieces in all classes, with more generous dimensions in business and first class, in **international markets to & from the USA, Canada and most transpacific routes**.
 - An excess baggage charges for excess or oversize piece, defines how special baggage such as sporting equipment should be handled

A change required...

Baggage business

- There are now **many different baggage allowances** and rules depending on which carrier the passenger is booked on.
- These rules have become **increasingly complex** in recent years.

The Regulatory position

- Traditional rule & price setting processes such as **Resolutions 300/301 infringe on competition laws**: agreement on uniform charges, weight, dimensions are deemed anti-competitive
- Regulators favour a more transparent and more technical process that can exist without anti-trust immunity

The end of 300/301 resolutions

- Traditional standards that supported interline baggage **expire end of March 2011**

Towards the Resolution 302...

- As a replacement for Resolutions 300 and 301, the IATA Composite Conference **adopted new Resolution 302** that can **exist without anti-trust immunity**

New baggage rule selection criteria

A new standard solution when different carrier baggage rules apply

➤ IATA Resolution 302 on the new baggage rule selection criteria becomes effective **1 April 2011** and replaces resolutions 300/301.

➤ Rather than establishing uniform baggage allowances & charges, Resolution 302 provides a **process** for **determining which carrier's baggage provisions apply for an interline checked portion(s)** when the allowances and/or charges differ among booked carriers.

➤ The **Most Significant Carrier** (MSC) will be identified, i.e. the Operating Carrier for which the baggage rules will apply for the checked portion of baggage travel.

A solution to complexity

➤ To handle various carrier baggage filings, automation of resolution 302 concept across a wide range of applications is required.

➤ GDS solutions have been adapted to answer the needs.

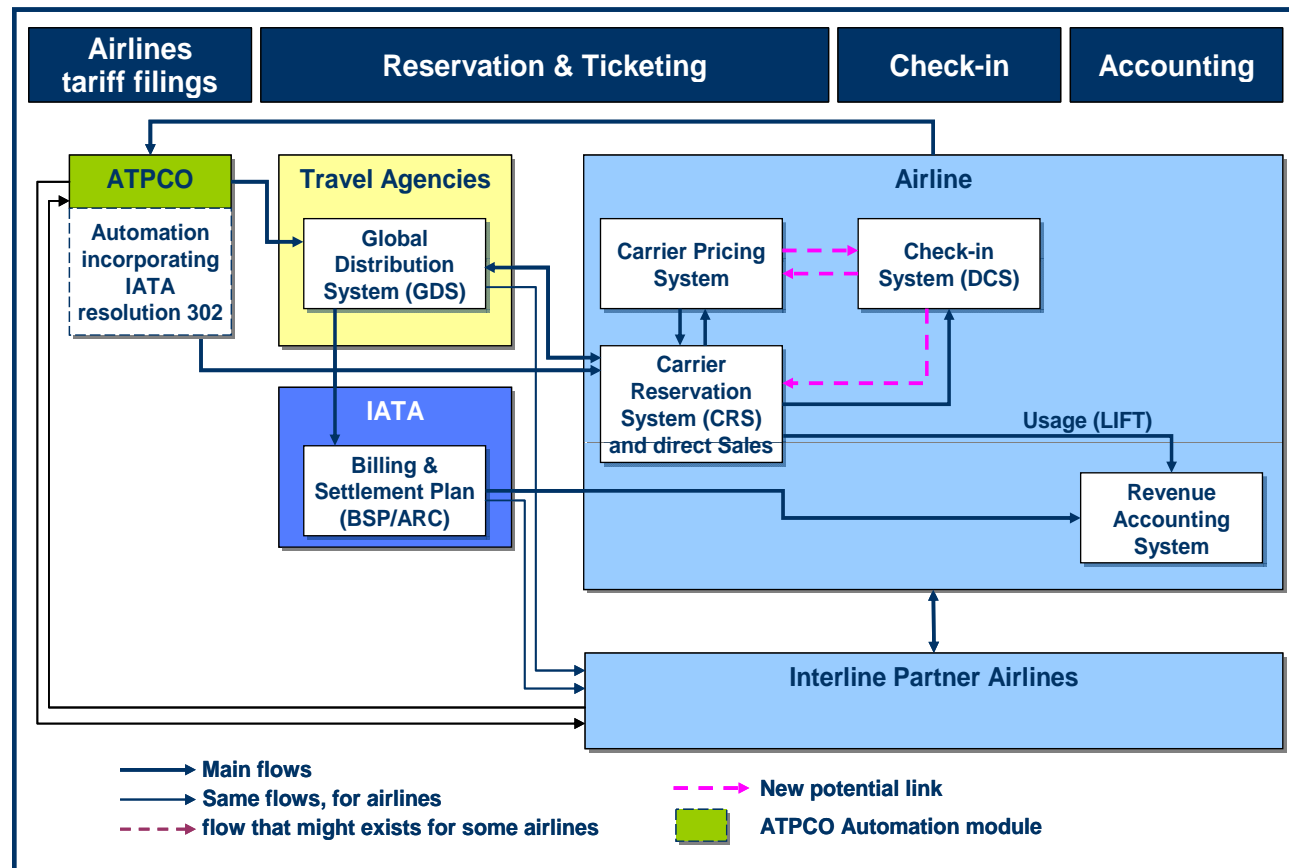
➤ Travel agents need to know how the criteria works to be able to explain to passengers (if needed) why one carrier's baggage rules prevail over those of other airlines in the checked portion.

The automation required important efforts...

ATPCO developed a database to collect all airline baggage rules, based on a similar principle than for airfares

The airlines sent their baggage rules to ATPCO to be uploaded to the global centralized database

The GDS system providers developed the engine to identify automatically whose rules will apply and provide baggage rules from ATPCO database



A massive mobilization with tight deadlines...

April 1

- Project launched in **June 2010**.
- Resolution 302 becomes effective on **1 April 2011**, which means we **only had 10 months to define and implement a solution at worldwide level**.

A massive mobilization

- IATA with ATPCO mobilized more than 230 airlines and all system providers to build the global solution and to solve all business and technical identified issues.
- 3 major task forces to tackle the issues and share progress with the airlines and system providers have been conducted within 8 months in North America, Europe and Asia.

Are we ready?

- Due to the tight deadlines and the level of complexity, system providers faced necessarily important constraints to implement and test their MSC calculation engine and update their system.
- While most of the GDS will be ready by 1 April 2011, **some will be ready by 1 June this year, due to implementation complexity**.

The Resolution 302 – Process

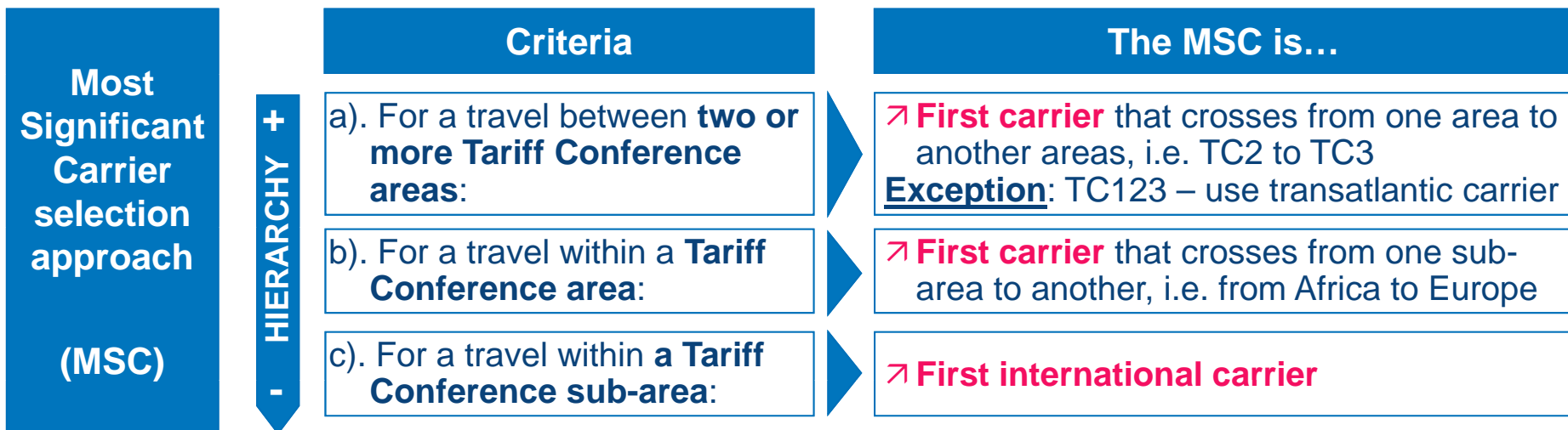
Process

A step-by-step process to that determines which carrier's rule to apply for an interline journey, where, for **each checked portion**:

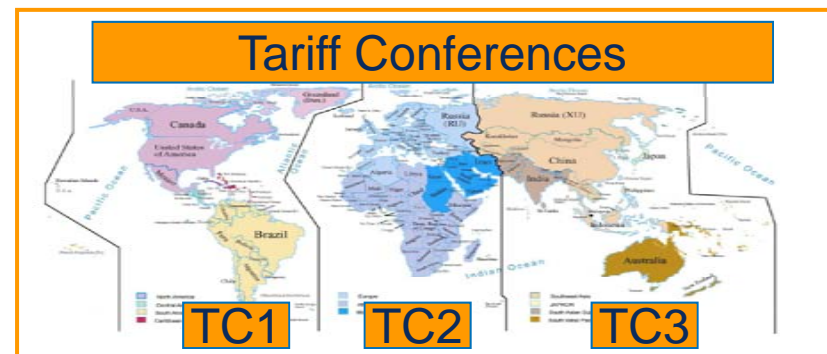
- Step 1). If carrier provisions are the same, such provision will apply
- Step 2). If different, apply provisions of **“Most Significant Carrier” (MSC)**.
For code share flight, apply the provision of operating carrier (unless specified)
- Step 3). If MSC does not publish its provision, apply the rule of the **Check-in carrier**
- Step 4). If the Check-in carrier does not publish its provision, apply **Operating carriers'** provisions sector-by-sector

- The Most Significant Carrier (MSC) is the carrier for which the baggage rules will be applied.
- The identification of the MSC is presented on next page.

The Resolution 302 - Most Significant Carrier



- The MSC is the Operating Carrier, for journeys not covered by US Reservations (see next page)
- Resolution 302 applies only for international check-in portions.
- For domestic, the ATPCO rule for MSC is the first operating carrier on the checked portion.



The US DoT Reservation on Resolution 302

A level of complexity

- The US DoT Reservations add a level of complexity that need to be taken into account in the identification of whose rules to apply

US entry/exit point

- When ultimate origin or destination of a ticket is a U.S. point, the **MSC baggage provisions selected at the beginning of the itinerary** must apply **throughout the journey**, regardless of stopover

Code share

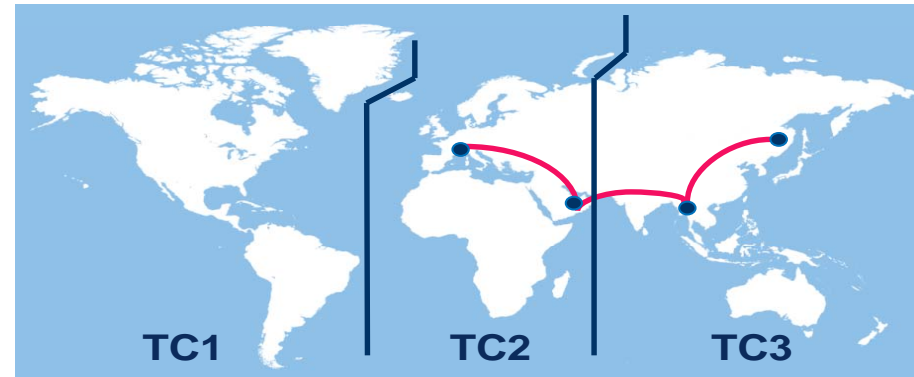
- In the case of code share flights that include a point in the US, the MSC shall be the **Marketing carrier**

Resolutions 300/301 and 302 – Example

Journey GVA BB X/AUH **CC** X/BKK DD BJS Y Class
 - Passenger & baggage through checked-in to BJS
 - With 2 bags to check for a total of 36K

Carrier filed baggage rules are different:

- ↗ BB: 20K allowance
- ↗ CC: Nil: pay USD50.00 per checked baggage
- ↗ DD: 23K allowance



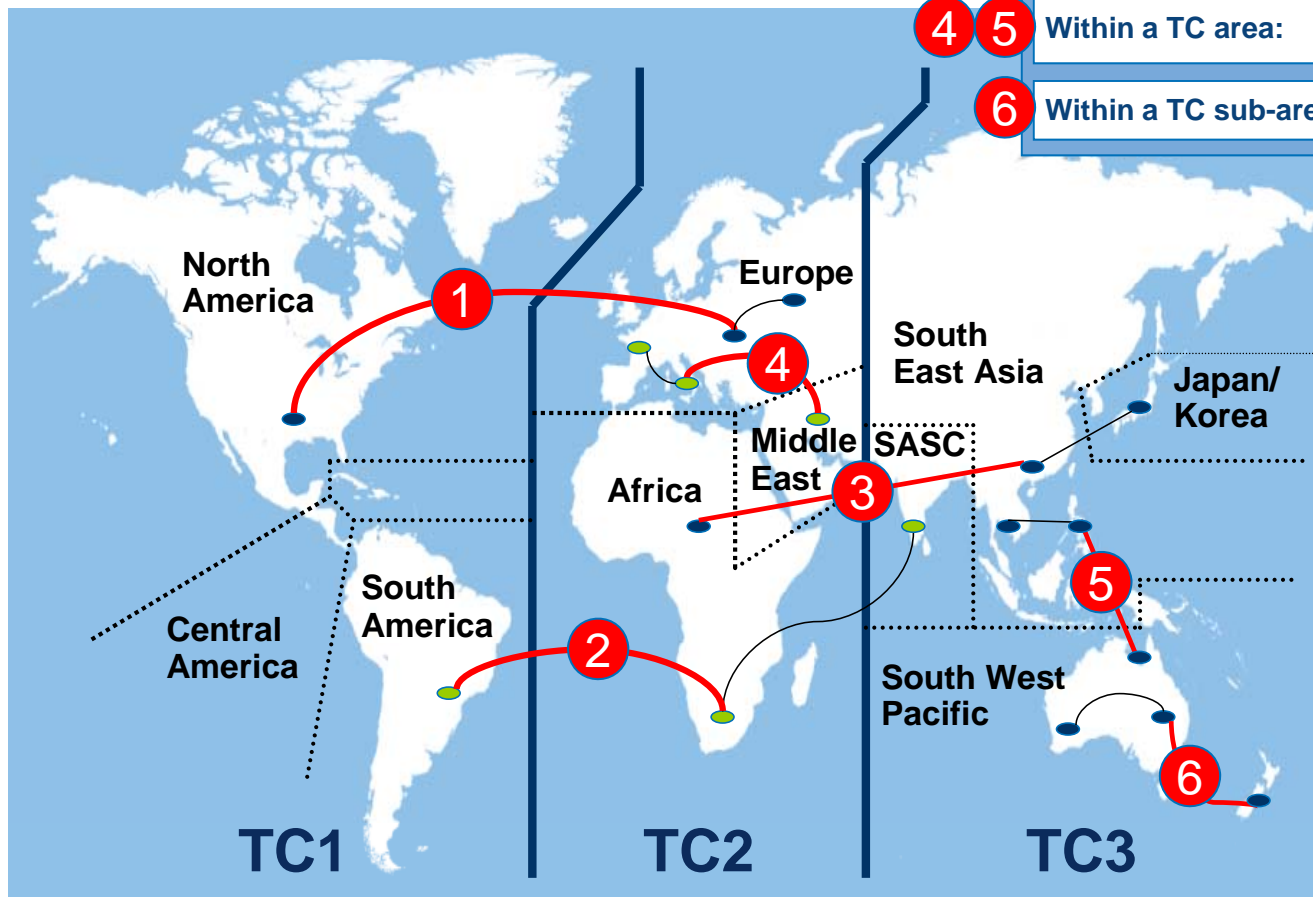
YESTERDAY & up to 31 March 2011

Simply allow 20K and charge 16K excess (interline standard rules).

From 1 April 2011

Reso 302 defines whose rules will apply. As the carrier baggage rules are different, we must identify the MSC. In this case, it corresponds to the **first carrier that crosses one area to another**, here TC2 to TC3. So the **MSC is carrier CC**, and carrier CC rules shall apply. The passenger will be charged USD100.00 (2 bags, UDS50.00 each).

The MSC concept



MSC Calculation	
1 2 3	Between two or more TC areas: First carrier that crosses areas, i.e. TC1 to TC2
4 5	Within a TC area: First carrier that crosses from one sub-area to another
6	Within a TC sub-area: First international carrier

Reso 302 – Example 1

Illustration of step 1 between 2 TC areas

Process - Interline journey, where, for **each checked portion**:

1. If carrier provisions are the same, such provision will apply
2. If different, apply provisions of "MSC".
3. If MSC does not publish its provision, apply the rule of the **Check-in carrier**
4. If the Check-in carrier does not publish its provision, apply **Operating carriers'** provisions sector-by-sector

MSC Calculation

Between two or more TC areas:

First carrier that crosses from one area TCx to another
For TC123: use transatlantic carrier

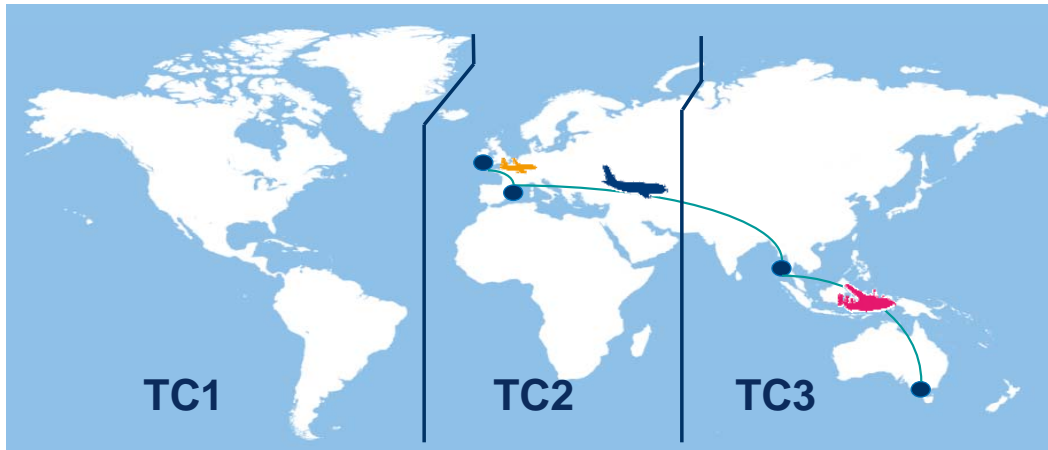
Within a TC area:

First carrier that crosses from one sub-area to another

Within a TC sub-area:

First international carrier

Journey: London > BB > x/Paris > CC > x/Bangkok > DD > Sydney



Carrier Rules LON-SYD	
FBA	EBC
30KG	USD10/KG
30KG	USD10/KG
30KG	USD10/KG
Apply	
FBA	EBC
30KG	USD10/KG

Reso 302 – Example 2

Illustration of step 2 between 2 TC areas

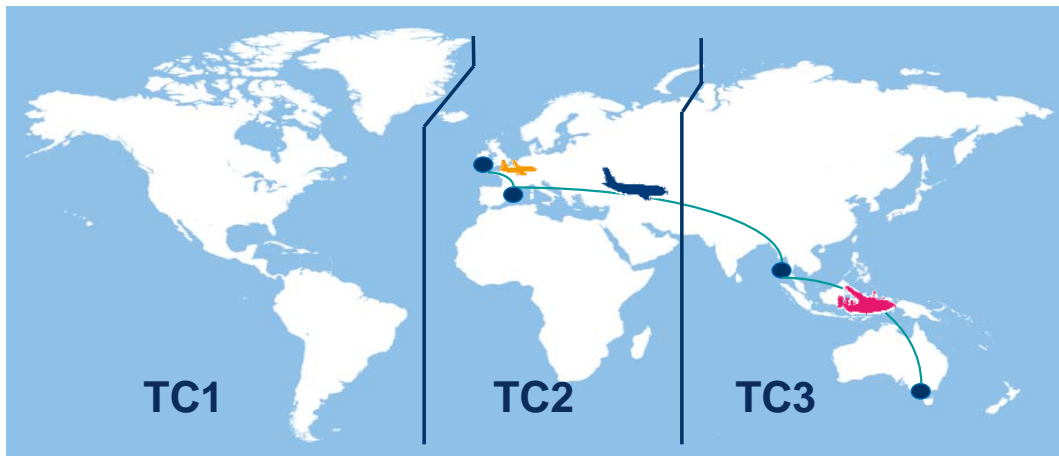
Process - Interline journey, where, for **each checked portion**:

1. If carrier provisions are the same, such provision will apply
2. If different, apply provisions of **"MSC"**.
3. If MSC does not publish its provision, apply the rule of the **Check-in carrier**
4. If the Check-in carrier does not publish its provision, apply **Operating carriers'** provisions sector-by-sector

MSC Calculation

- Between two or more TC areas:** → **First carrier that crosses from one area TCx to another**
For TC123: use transatlantic carrier
- Within a TC area:** → **First carrier that crosses from one sub-area to another**
- Within a TC sub-area:** → **First international carrier**

Journey: London > BB > x/Paris > CC > x/Bangkok > DD > Sydney



		Carrier Rules LON-SYD	
		FBA	EBC
CKIN	BB	23KG	USD10/KG
MSC	CC	30KG	USD10/KG
	DD	20KG	USD10/KG
		Apply	
		FBA	EBC
		30KG ----- USD10/KG	

Reso 302 – Example 3

Illustration of step 3 between 2 TC areas

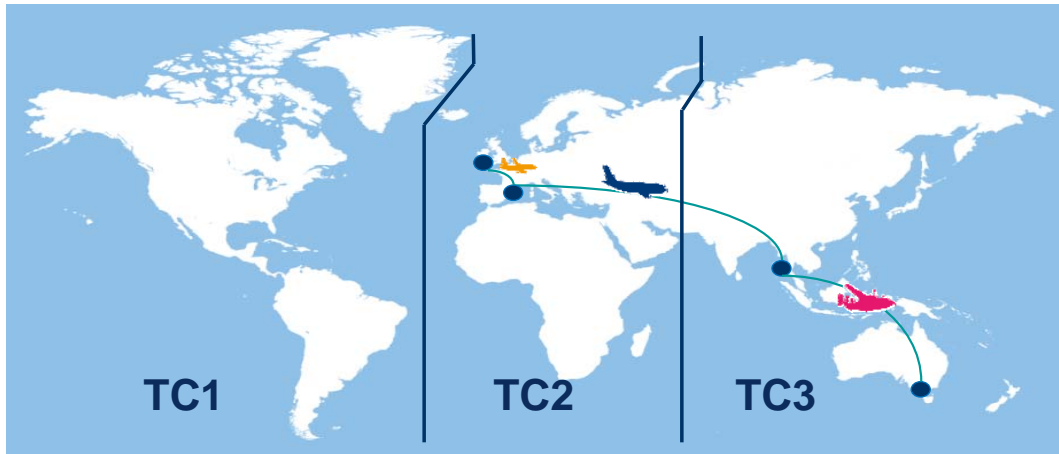
Process - Interline journey, where, for **each checked portion**:

1. If carrier provisions are the same, such provision will apply
2. If different, apply provisions of "MSC".
- 3** If MSC does not publish its provision, apply the rule of the **Check-in carrier**
4. If the Check-in carrier does not publish its provision, apply **Operating carriers'** provisions sector-by-sector

MSC Calculation

- Between two or more TC areas:** → **First carrier that crosses from one area TCx to another**
For TC123: use transatlantic carrier
- Within a TC area:** → **First carrier that crosses from one sub-area to another**
- Within a TC sub-area:** → **First international carrier**

Journey: London > BB > x/Paris > CC > x/Bangkok > DD > Sydney



		Carrier Rules LON-SYD	
		FBA	EBC
CKIN	BB	23KG	USD10/KG
MSC	CC	Not published	Not published
	DD	20KG	USD10/KG
		Apply	
		FBA	EBC
		23KG	USD10/KG

Reso 302 – Example 4

Illustration of step 4 between 2 TC areas

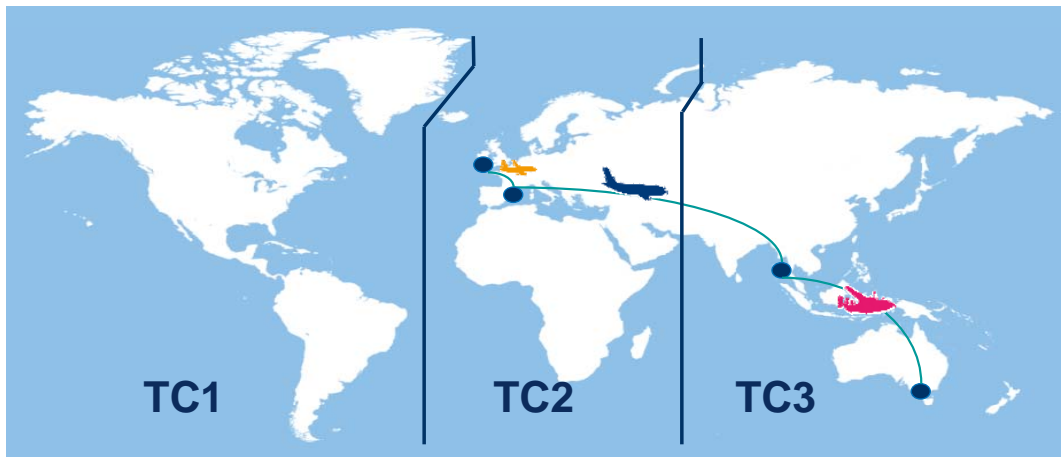
Process - Interline journey, where, for **each checked portion**:

1. If carrier provisions are the same, such provision will apply
2. If different, apply provisions of "MSC".
3. If MSC does not publish its provision, apply the rule of the **Check-in carrier**
4. If the Check-in carrier does not publish its provision, apply **Operating carriers'** provisions sector-by-sector

MSC Calculation

- Between two or more TC areas:** → **First carrier that crosses from one area TCx to another**
For TC123: use transatlantic carrier
- Within a TC area:** → **First carrier that crosses from one sub-area to another**
- Within a TC sub-area:** → **First international carrier**

Journey: London > BB > x/Paris > CC > x/Bangkok > DD > Sydney



		Carrier Rules LON-SYD	
		FBA	EBC
CKIN	BB	Not published	Not published
MSC	CC	Not published	Not published
	DD	20KG	USD12/KG
		Apply	
		FBA	EBC
LON-PAR		23KG	USD5/KG
PAR-BKK		30KG	USD15/KG
BKK-SYD		20KG	USD12/KG

MSC Calculation with US DoT Reservations

Between two or more TC areas:

First carrier that crosses from one area TCx to another
TC123: use **transatlantic carrier**

When ultimate origin or destination of a ticket is a U.S. point, the MSC baggage provisions selected at the beginning of the itinerary must apply **throughout the journey**, regardless of stopover

In the case of code share flights that include a point in the US, the MSC shall be the Marketing carrier

Within a TC area:

First carrier that crosses from one sub-area to another

Within a TC sub-area:

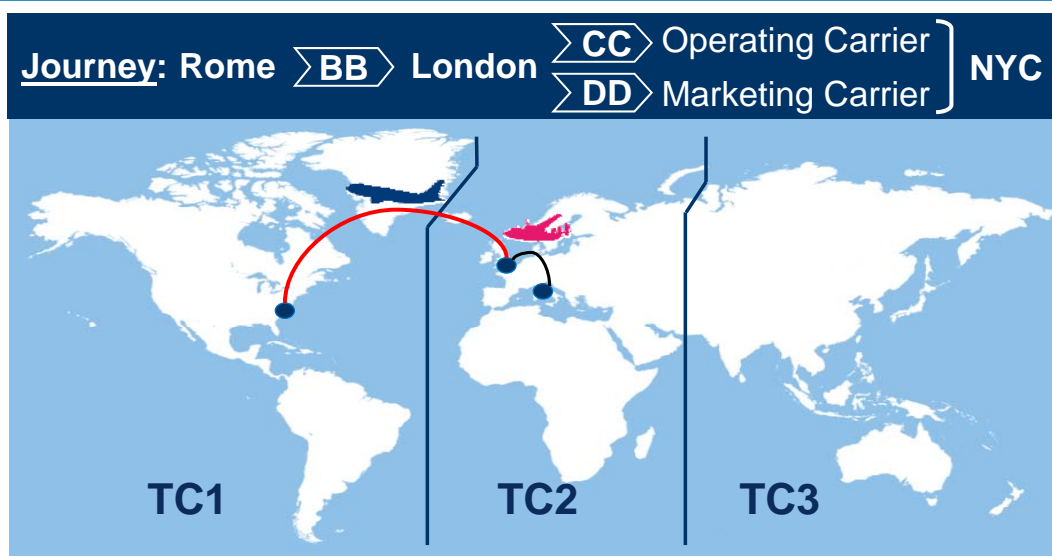
First international carrier

Reso 302 – Example 5

Illustration of step 2 + US Reservations + code share

Process - Interline journey, where, for **each checked portion**:

1. If carrier provisions are the same, such provision will apply
2. If different, apply provisions of **"MSC"**.
3. If MSC does not publish its provision, apply the rule of the **Check-in carrier**
4. If the Check-in carrier does not publish its provision, apply **Operating carriers'** provisions sector-by-sector



		Carrier Rules LON-SYD	
		FBA	EBC
CKIN	BB	23KG	USD10/KG
	CC	30KG	USD15/KG
MSC	DD	20KG	USD17/KG
		Apply	
		FBA	EBC
		20KG ----- USD17/KG	

MSC Calculation with US DoT Reservations

Between two or more TC areas:

First carrier that crosses from one area TCx to another
 TC123: use transatlantic carrier

When ultimate origin or destination of a ticket is a U.S. point, the MSC baggage provisions selected at the beginning of the itinerary must apply throughout the journey, regardless of stopover

In the case of code share flights that include a point in the US, the MSC shall be the Marketing carrier

Within a TC area:

First carrier that crosses from one sub-area to another

Within a TC sub-area:

First international carrier

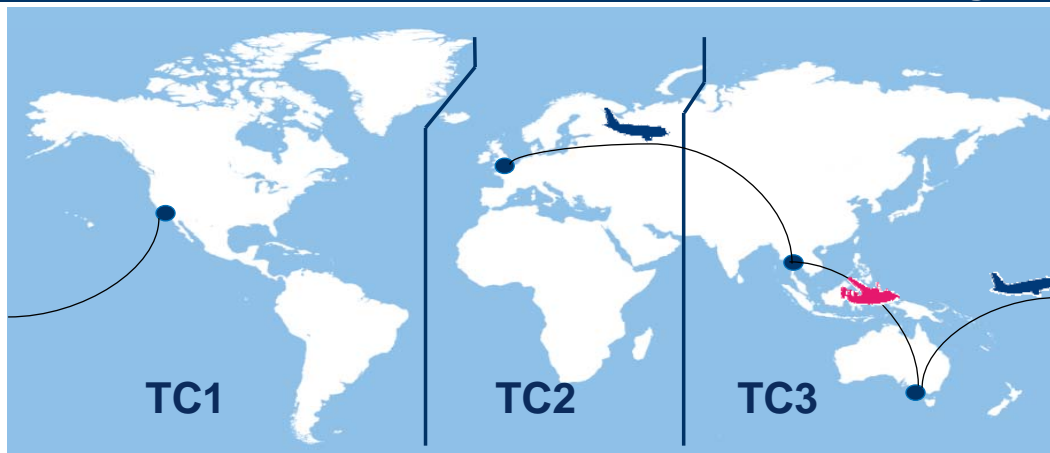
Reso 302 – Example 6

Illustration of step 2 + US Reservations

Process - Interline journey, where, for each checked portion:

1. If carrier provisions are the same, such provision will apply
2. If different, apply provisions of "MSC".
3. If MSC does not publish its provision, apply the rule of the Check-in carrier
4. If the Check-in carrier does not publish its provision, apply Operating carriers' provisions sector-by-sector

Journey: London > BB > x/Bangkok > CC > x/Sydney > DD > Los Angeles



		Carrier Rules LON-SYD	
		FBA	EBC
MSC	BB	23KG	USD10/KG
	CC	30KG	USD15/KG
	DD	20KG	USD17/KG
		Apply	
		FBA	EBC
		23KG	USD10/KG

What it means for the travel agents

Whose rules will apply

- For interline journeys, it may happen that the first airline baggage rules will not apply since they will not necessarily be the carrier designated as the Most Significant Carrier (MSC) for the journey.
- Calculation will be done automatically by the GDS providers.
- If the MSC or first operating carrier have not sent their baggage rules to be loaded in the ATPCO database solution → a blank will be on the ticket.
Remark: this case will remain low.

Ticket

- The process of ticket issuance does not change.
- The Free Baggage Allowance of the Most Significant Carrier (when interlining) is provided on the ticket.

Passenger

- Need to be informed about his baggage entitlements, what are the free baggage allowances/charges so there are no unpleasant surprises upon check-in.



THANK YOU