

----- Original Message -----

Subject:New Airline Fees

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From:Richardson, Jan <richardso@bussvc.wisc.edu>

To:fmm-list@lists.wisc.edu

Financial Managers (*please share this information with your travelers*),

A recent travel update from Fox World Travel defines new emerging airline fees that all UW travelers and travel coordinators need to be aware of, regardless of the booking method used to obtain their airline tickets.

Some University of Wisconsin travelers have been charged penalties for the below defined "churning", resulting in penalties and additional fees of up to \$400.00 or more. While we are not able to "hold" tickets in the Fox World Travel Cliqbook System, reservations that are made, then cancelled by 5:00 p.m. the next day and then rebooked, would also be considered "churning".

Defining New Airline Fees

With the recent increase in "churning" and "inactive segment" fines from the airlines, we want to provide an explanation of these terms. Churning is a repeated booking and cancelling of the exact same flight. Inactive segments are segments that are not ticketed within the 24 hour ticketing time limit. The airlines cite an increasing and significant number of instances where travelers' hold/cancel/hold, etc. discounted space while confirming their schedules. This strains their inventory management systems and potentially inhibits other travelers from making a purchase (because the space is being held without commitment to buy).

In order to recover costs and to discourage future activity, they have developed software to detect the practice and assess fines (in arrears) for the following:

Churning is a repeated booking and cancelling of the exact same flight. For example:

1. You reserve a flight from Milwaukee to Chicago for October 8th.
2. You then discover you have a conflict that day and cancel the reservation.
3. The following day your schedule changes again, so you rebook the reservation for the original flight -- this is churning.
4. Reserving a flight is considered a hold. If you reserve a flight online but do not purchase, and then later in the day go back in and start the reservation over, this is churning.
5. If you do not complete a reservation online and go in at a later time, you must pull up your original reservation and continue on from this point, or you may be churning.

Inactive segments are segments that are not ticketed within the 24 hour ticketing time limit. This means the space is being held and was not cancelled. Airline technology will automatically cancel your reservation without notice. An example of this would be booking a reservation online and not purchasing, nor cancelling. This could include a held reservation, or one awaiting approval for more than 24 hours. It is important that if you are looking for flight options and you are not going to purchase, that you cancel the reservation as soon as possible, whether you booked it online or with an agent.

The current amount that the airlines are charging for this type of activity ranges from \$3.50 - \$10.00 per segment, plus an administrative fee of \$50. We have seen fees range from \$75.00 total to \$425.00 total. If we receive these charges due to "churning" and "inactive segments" in an online booking tool or with an agent, we will need to bring it to your attention for collection. The goal of managing inventory in a more timely fashion has caused airlines to implement this process. Ultimately, they intend to "encourage" travelers to not hold space until they are confident

the reservation will be ticketed, which is the only way to avoid these fines.