

Dear Travel Professional:

PED 04/25/04

Below are several important news items from ARC:

- 1) ARC Offers Agents 2001 Transaction Data
- 2) Azerbaijan Airlines to Become ARC-Participating Carrier
- 3) Charging Service Fees with ARC's TASF Program
- 4) ARC to Terminate Allegro Airlines Agreement
- 5) Reminder: ARC to Eliminate Auditor Coupons
- 6) ARC Enables Automated Population of Partial Exchange Values in IAR

1) ARC Offers Agents 2001 Transaction Data

Until May 5, agents can obtain complete settled ticket data for 2001 before it is deleted from ARC systems. With the ARC Agent Transaction History File on CD-ROM, travel agencies can keep centralized records, easily conduct research, and analyze data on 2001 transactions for as little as \$250 for most companies. For more information, see

http://www.arccorp.com/products/prod_dat_trans_history.html.

For answers to questions and to place your order, send an email to arccompass@arccorp.com or call 703-816-8003, option 6.

2) Azerbaijan Airlines to Become ARC-Participating Carrier

Azerbaijan Airlines (771/J2) has joined ARC as a participating carrier effective with sales starting May 3, 2004 (PED 05/09/04). Azerbaijan Airlines is the national carrier of Azerbaijan Republic. From its hub in Baku, Azerbaijan Republic, the carrier serves the international destinations of London (LGW), Paris (CDG), Istanbul, Ankara, Trabzon, Moscow, Kiev, Tbilisi, Tel-Aviv, Dubai, Tehran, and Urumqi, and it is the only European carrier to operate regularly scheduled passenger flights to Kabul, Afghanistan. The carrier also serves several other regional and domestic airports. Azerbaijan Airlines' inventory is available to Amadeus, Sabre, and Galileo users through access agreements between those companies and the Gabriel-2 GDS. The carrier operates a fleet of Boeing 757-200, Boeing 727-200 and TU-154M aircraft. As Azerbaijan Airlines has elected the General Concurrence method of agent appointment, all ARC-accredited agencies are automatically appointed as agents of the carrier. At this time, the carrier accepts cash as the only form of payment.

For inquiries, reservations, or sales information, contact the following:

Azerbaijan Airlines
International Commercial Department
66/68, The 28th of May Street

Baku, AZ 1010, Azerbaijan Republic
Phone: (994 12) 985424; 985450
Fax: (994-12) 985424; 931253
E-Mail: opr@azal.baku.az
US Sales Office: (718) 275-8434

3) Charging Service Fees with ARC's TASF Program

ARC's Travel Agency Service Fees program provides a cost-effective way for travel agents to assess service fees and to collect the charges through ARC's reliable reporting tools. When issuing a TASF MCO, please follow these instructions:

1. Validate the TASF MCO on carrier code 890/XD only. A TASF MCO should never be validated under any other carrier code.
2. Validate the TASF MCO showing the current date and ARC number.
3. Enter the name of your client.
4. Enter the reason for issuing the Document - Travel agency service fee (TASF)
5. "Issued By" should read Airlines Reporting Corporation.
6. Enter the credit card reflecting the 2-letter code, card number, expiration date and approval code.
7. Enter the total charge.
8. Calculate your commission (fee paid by your client less ARC processing fee) as follows:

Subtract \$.70 for Fees of \$20.00 or less. Subtract 3.5 percent for fees in excess of \$20.00. NOTE: The commission must be entered as a dollar figure – not as a percentage.

Example 1: If the TASF is issued at \$15.00, the commission should read as \$14.30 (\$15.00 - \$.70 = \$14.30).

Example 2: If the TASF is issued at \$50.00, the commission should read as \$48.25 (\$50.00 - 3.5%= \$48.25).

Click here for more information about ARC's TASF program:

<http://www.arccorp.com/forms/ops/doc111.pdf>

Please remember that you must clearly inform your client of any fees that you charge. Doing so will help minimize the chance of your customer not recognizing the charge, which could result in a chargeback and loss of earned revenue.

4) ARC to Terminate Allegro Airlines Agreement

ARC will terminate its Agreement with Allegro Airlines (902/LL) following completion of processing of sales for the period ending 04/25/04. Any Allegro-validated transactions submitted with ARC sales reports for the period ending 05/02/04 or later will be returned unprocessed and should be sent directly to Allegro Airlines.

As ARC suspended processing of Allegro Airlines cash refunds, exchanges with cash refunds, and credit memos in November 2003, those transactions should not be submitted to ARC but directly to Allegro. For information on contacting Allegro, please visit <http://www.allegroair.net>.

5) Reminder: ARC to Eliminate Auditor Coupons

Effective May 3, 2004, Auditor Coupons will no longer print as part of a travel transaction generated via the Global Distribution Systems (GDS). The change, first announced March 4, is an ARC-led initiative enacted to reduce costs for all segments of the air travel distribution industry, including ARC, the airlines, travel agents, corporate travel departments (CTDs), and the GDS.

The increasing sophistication and integration of electronic ticketing, reporting, settlement, data storage, and record retrieval creates multiple opportunities for cutting costs. In this environment, the Auditor Coupon has become unnecessary, and its elimination will result in industry-wide savings.

Click here for more additional information about eliminating the auditor coupon: http://www.arccorp.com/products/prod_tic_TSS_auditor.html.

6) ARC Enables Automated Population of Partial Exchange Values in IAR

ARC is supporting enhancements to Sabre(R) Quick Refunds and Exchanges and to Worldspan Rapid Reprice(SM) that enable partial exchange values that are re-priced from the point of origin to automatically populate the Exchange Support screen in ARC's electronic reporting tool -- IAR. This enhancement eliminates the travel agency requirement to manually input the financial amounts into the Exchange Support screen.

ARC is enabling this enhancement as part of its effort to provide the best settlement solutions for agencies and in response to agent requests to improve the exchange process. ARC is positioned to support such functionality for any system provider (GDS) and will provide information on future developments.

A partial exchange is an exchange of the remaining coupons of an itinerary that has been partially traveled. A partial exchange re-priced from the point of origin

occurs when carrier ticket pricing instructions indicate that the value of the remaining coupons is equal to the full value of the ticket being exchanged.

Currently, Sabre and Worldspan are only offering this enhancement to users of their respective automatic re-pricing products. For more information see their Web sites:

- Sabre Quick Refunds and Exchanges: <http://eservices.sabre.com>
- Worldspan Rapid Reprice: <http://home.wspan.com>

ARC Customer Support Center
(703) 816-8003
csc@arccorp.com
Corporate Communications
Tel. (703) 816-8525; fax (703) 816-8168
corpcom@arccorp.com
<http://www.arccorp.com>

Please distribute the ARC Travel Agency Communication (TAC) among staff and colleagues.