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Flying “À la Carte” with Ancillary Fees

Ancillary fees have been common in the travel industry for years and the industry continues to creatively market new ways to increase this source of revenue. These fees are big business for the airlines as well as hotel and car companies.

An ancillary fee is defined as a cost or expense involved in a transaction but is not directly related to it. The fee pays for services that vendors market as “enhancements to the travel experience”.

What are these “services” and are they worth the additional cost?

Some of the most common services include; luggage (checked and carry on), preferred seating, in-flight Wi-Fi, use of a Global Positioning System (GPS), late checkout at a hotel, and concierge level hotel rooms.

At one time, these “services” were bundled into the price of the transaction; meaning the purchase was

all-inclusive.

By “unbundling” these services, the industry has generated billions of dollars every year and businesses have been able to brand their own products including mobile apps.

An annual survey of 63 airlines was issued by [IdeaWorks](#) in July 2015. The analysis discovered that the airlines earned over \$38 billion in ancillary revenue generated from non-ticket sources, which is approximately \$17 in extra revenue per passenger.

IdeaWorks says that the approach of unbundling works and will undoubtedly continue to grow year over year. Thus travel buyers will need to spend more time researching fare options while considering the services they want to experience on their trip.

Are there ways to avoid the extra travel costs?

- Use [NerdWallet.com](#) to

compare fees across major US airlines before buying.

- Use an airline-branded credit card to purchase travel.
- Pack light, but bring snacks on-board.
- Wait to pay for the “premium” seating until a few days before departure.
- Achieve Elite status with a preferred vendor to get the biggest bang for your buck. If it is not possible, make friends with a road warrior to take advantage of benefits that may be passed on to their travel companions.

What is the benefit of ancillary fees to the traveler?

Travelers are able to choose from à la Carte services to make the experience what they want for a price they can afford.

The business traveler can pay for a “premium” experience on a budget carrier and the budget conscience traveler can fly affordably on a “premium” carrier.



Moving, Mileage, and Per Diem Reimbursements

Per IRS regulations for W-2 reporting, transactions must be entered in the tax year in which the expenses were incurred and payments made.

In preparation for year end activities, remind employees and section supervisors that all outstanding taxable and non-taxable per diem, moving and mileage, and personal use of vehicle entries need to be completed and forwarded to payroll/fiscal offices for entry into AKPAY no later than Friday, December 11, 2015.

Event Travel Management Contract

The Division of General Services (DGS) has a [Conference Coordination Services](#) contract with Event Travel Management (ETM).

ETM is dedicated to providing clients with superior service from large-scale productions to small personalized meetings.

All State of Alaska governmental entities may utilize the contract services provided by ETM.

To utilize their services, a Conference Project Form needs to be submitted with the State of Alaska Contract Award number included on the request. ETM has up to ten days to respond with

a quote for the requested services.

When an agreement is signed your benefits will be maximized as ETM will leverage resources and worldwide business knowledge to provide you with competitive pricing and quality results for your event:

- * Meeting space comps
- * Room comps
- * Concessions
- * Room upgrades
- * Generous attrition policies
- * Group benefits
- * Overall cost savings

Please see the Conference Coordination Service agreement in the DGS Contract Award Manual, visit www.traveletm.com, or call 907-786-0130.



E-Travel Information

CTM has been negotiating 2016 hotel rates on behalf of the State of Alaska.

The 2016 Preferred Hotel Program will be different from previous years. The new program will categorize participating hotels into tiers.

The program will provide quality lodging options below the federal per diem rate in specific markets and amenities may be included in the rate.

State travelers will be expected to book preferred properties over non-participating with limited exceptions.

More information about the rates and tier levels will be in the explained in the December 2015 E-Travel Newsletter.

E-Travel Online Training Enrollment And Quarterly Survey

Search Function: Nov 12 - 10:30
 Trip Changes: Nov 24 - 1:30
 Rural Vendors: Dec 10 - 10:30
 Full Basic Training: Dec 22 - 9:30

- Login to [LearnAlaska](#)
- Enter *etravel* in the search box.
- Select desired training course
- Select desired training date
- Select [Enroll](#)

To access the WebEx and phone bridge on training day, login to LearnAlaska within 15 minutes of the start of the session.

Please take a few minutes to let us know how we are doing.
 E-Travel Program - [Quarterly Survey](#)



Test your E-Travel Knowledge!

Send your response to the [ETMT](#) by **Nov 30** and your name will be entered into the quarterly drawing.

1. What are ancillary fees?
2. How do travelers benefit from paying for à la Carte services?
3. When is the cut off for which taxable and nontaxable transactions paid to employees in 2015 must be entered to AKPAY?
4. What does ETM specialize in?
5. Have you ever used an events planner for state business?

E-Travel Newsletters will be published quarterly starting January 2016

E-Travel Management

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