

**60th CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGIONS**

*Sendai, Japan
28 July - 1 August 2025*

**INNOVATIVE INTERLINE TRANSFER SERVICE FOR EXCESS
CHECKED BAGGAGE TO FACILITATE “SEAMLESS AND
ENJOYABLE TRAVEL FOR PASSENGERS”**

(Presented by China)

SUMMARY

This paper outlines how China’s civil aviation sector is addressing the challenges associated with handling excess checked baggage for transfer passengers. By facilitating data sharing and streamlining ground handling processes, the sector has introduced an innovative “Payment once, Settlement real-time, Guarantee Whole-Process” (PSG) Model. The PSG Model ensures end-to-end through check-in services for excess checked baggage during interline transfers. It provides a new model and pathway for Asia-Pacific countries to overcome the longstanding difficulties in interline baggage through-check services.

INNOVATIVE INTERLINE TRANSFER SERVICE FOR EXCESS CHECKED BAGGAGE TO FACILITATE “SEAMLESS AND ENJOYABLE TRAVEL FOR PASSENGERS”

1. INTRODUCTION

1.1 Background

1.1.1 The global civil aviation industry continues to face shared challenges in managing excess checked baggage during interline transfers. Without interline agreements or harmonized baggage policy, air carriers struggle to provide seamless through check-in service. Consequently, passengers are often required to reclaim and re-check their baggage at transfer airports, affecting the overall travel experience.

1.1.2 As the world’s second-largest air transport market, China served over 70 million transfer passengers in 2024. A shared goal of the industry is to better leverage the role of government and digital service providers in developing industry-wide and public-benefit solutions for interline baggage through-check, so as to harness data-driven efficiencies, and ultimately delivering greater convenience to passengers. To this end, in 2024, with the support of the Civil Aviation Administration of China (CAAC), the CAAC Settlement Center and China TravelSky Holding Company jointly launched the innovative PSG Model. Leveraging information technologies and digital services, as well as extensive stakeholder consultations, this initiative fosters operational collaboration and information sharing between air carriers and airports. Pilot implementations at certain air carriers and airports have demonstrated the model’s success in optimizing end-to-end excess baggage handling, unifying previously fragmented data and service chains. The Model not only elevates passenger experience but also strengthens the competitive edge of civil aviation services.

2. CONCEPT

2.1 The “Payment once, Settlement real-time, Guarantee whole-process” (PSG) Model is a service solution designed for passengers with interline itineraries who exceed the free baggage allowance. Under this model, passengers pay the full excess baggage charges for all flight segments in one transaction at the origin airport, eliminating the need for additional payments during transfers, and baggage is checked through to the final destination, removing the requirement for baggage reclaim at transfer points. The PSG Model also integrates financial institutions, enabling instant fee settlement between air carriers and airports, ensuring efficient billing and fund consolidation.

3. DISCUSSION

3.1 Basic Overview

3.1.1 To address long-standing challenges in the industry, such as poor coordination in handling excess baggage for transfer passengers, non-standardized fees, delayed fund settlement, and inconsistent service standards, CAAC has supported the development and implementation of the PSG Model through a deepened cooperation mechanism between the CAAC Settlement Center, the industry’s specialized settlement institution, and TravelSky, the information service provider. By establishing interconnected information system, the two parties have bridged gaps between operational and support data, enabling the collaboration and integration of service processes, data flows, and financial transactions. This facilitates through check-in of excess baggage for transfer passengers and promotes the goal of “seamless and enjoyable passenger travel”.

3.2 Main Work

3.2.1 **Improving the Cooperation Mechanism.** To tackle the difficulties in handling excess baggage for transfer passengers, CAAC Settlement Center, TravelSky, air carriers, and airports have established a multi-party collaboration mechanism based on the principles of equality, mutual

trust, and efficiency. The multi-party collaboration mechanism clearly defines the working principles, responsibilities, rights, and obligations of all stakeholders. Air carriers and airports may voluntarily join this framework agreement, laying a solid foundation for the full-scale implementation of the PSG Model.

3.2.2 Integrating Support Capabilities. Under the guidance of CAAC, the CAAC Settlement Center and TravelSky have opened up data sharing and fund settlement channels among key industry players. By providing end-to-end technical support - including rule maintenance, passenger-facing charge consolidation, and fund settlement and allocation - they have built an industry-wide and public-benefit support system. This system ensures streamlined service processes, seamless data transmission, and secure financial flows for excess baggage transfer services.

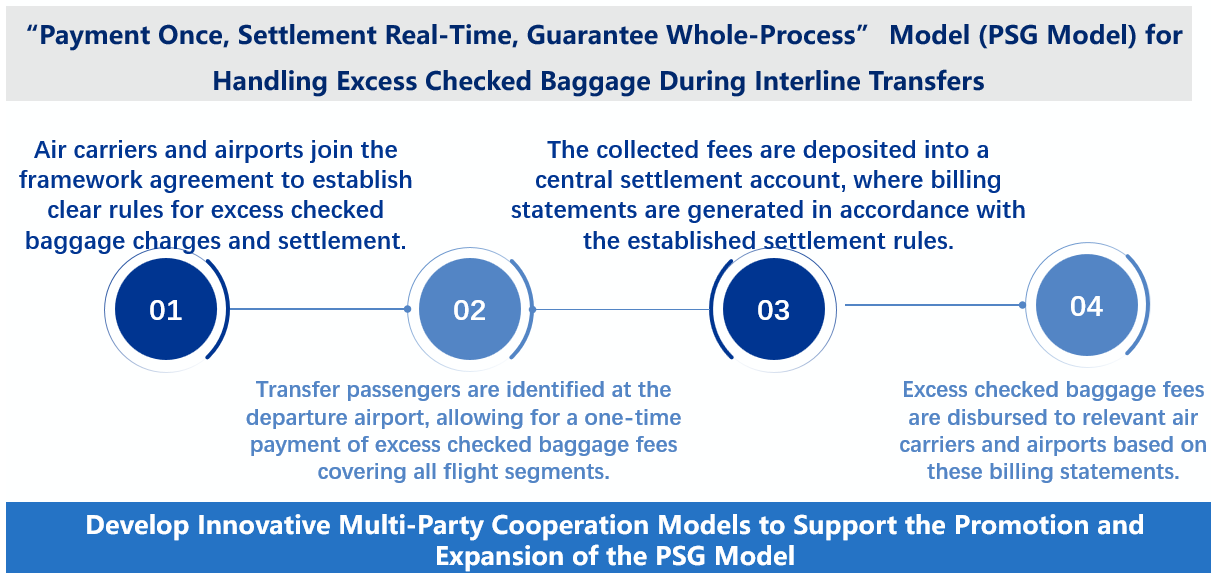


Figure 1. PSG Model Workflow Diagram

3.2.3 Promoting Pilot Demonstration Programs. Support has been provided to air carriers with extensive experience in transfer services, such as China Eastern Airlines, China Southern Airlines, Hebei Airlines, and China Express, to jointly launch pilot operations of the PSG Model on selected routes together with airports that have strong transfer service capabilities, including airports in Wuhan and Shijiazhuang. The goal is to explore the establishment of a complete and standardized operational process, laying the groundwork for gradual nationwide roll-out of the PSG Model. In addition, airports in Ordos, Xinjiang, Yunnan and Dalian as well as Chengdu Tianfu International Airport are also advancing such pilot programs.

**“Payment Once, Settlement Real-Time, Guarantee Whole-Process” Model (PSG Model)
for Handling Excess Checked Baggage During Interline Transfers**

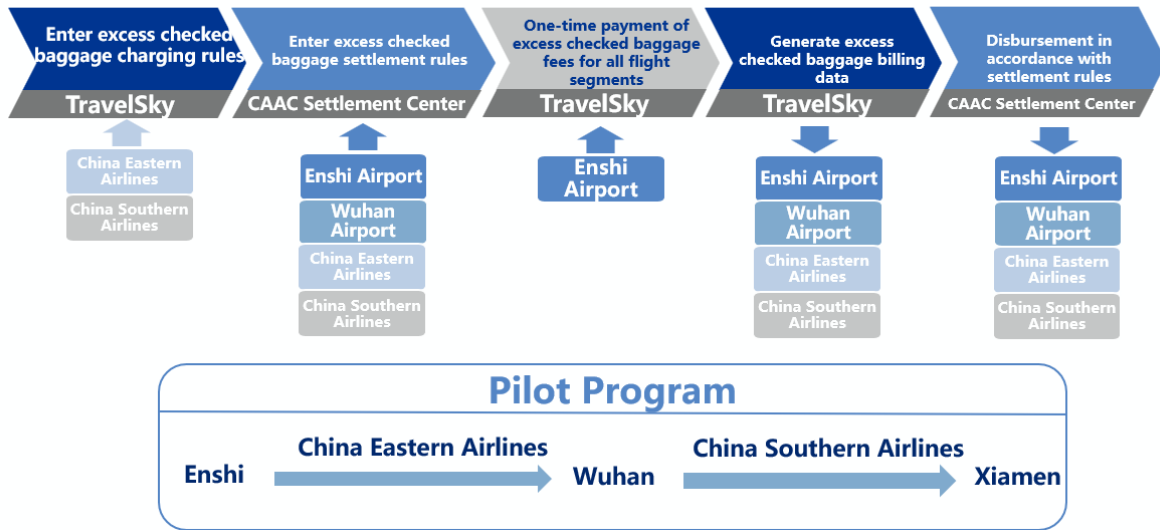


Figure 2. Example routes of the PSG Model pilot program at Wuhan Airport

3.3 Implementation Outcomes

3.3.1 With the pilot operation and broader adoption of the PSG Model, Chinese air carriers will gradually realize end-to-end through check-in for excess baggage on interline transfers, thereby promoting air carriers network cooperation and joint service delivery while driving the optimization and upgrading of transfer service offerings. The main outcomes are as follows: **First, reduced travel time for passengers.** After the implementation of the model, passengers no longer need to reclaim and re-check excess baggage at transfer airports, reducing average handling time by approximately 20 minutes for each excess baggage at transfer airports; **Second, reduced airport operational costs.** Transfer counters in restricted areas can be removed and service staff can be streamlined, saving an average of 10 yuan in labor costs per piece of excess transfer baggage; **Third, significant improvement in transfer service quality.** By integrating departure systems, financial clearing and settlement systems and other systems, the PSG Model enables seamless interconnection of information systems, improving the operational efficiency and service reputation of the civil aviation sector. It helps foster a “nationwide integrated civil aviation network”, ensuring “seamless and enjoyable passenger travel”.

4. ACTION BY THE CONFERENCE

4.1 The Conference is invited to note the information contained in this paper.

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