

Agenda Item: G15
Revision No.: 0
Date: 27 Apr 06
Page: 1 of 1

REPORT OF THE TRAVEL AGENCY COMMISSIONERS

Submitted by the Travel Agency Commissioners

Introduction

The Office of Travel Agency Commissioner exists by authority of PAConf Resolution 820d and the Commissioners' powers of review are set out in Resolution 820e, with specific powers reserved for suspected commercial malpractice specified in the Passenger Sales Agency Rules.

Resolution 820d provides that the Travel Agency Commissioners are not subject to the direction or supervision of IATA, any Member, Accredited Agent or association of travel agents. It has, however, been found to be in the general interest that the Commissioners furnish an annual report to the Conference and, through the website, to the travel agents, covering their main activities, without divulging names of airlines or agents.

Attached therefore, are three activity reports prepared by the Commissioners for their respective areas. That for Area 1 is in Spanish, the working language of most of the Area covered. (An English translation will be made available at a later date).

By arrangement with the Conference Secretary, the gist of the reports will be presented orally to the Conference by one of the Commissioners, who will also offer general conclusions drawn from the year's global experience.

Attachments: 3 Area Reports

Report of the Travel Agency Commissioner, Area 1: 2005 – 2006

In the period May 2005 – March 2006 the Travel Agency Commissioner Area 1 received 4 applications for review.

They all originated from travel agents. The following cases were addressed:

- A Jamaican agent – in first instance, the Agent through his lawyer sought the TAC's intervention to initiate an arbitral procedure per Chapter 14, Reso 808. The lawyer was briefed on the review procedure before the Commissioner, the matter was analysed and the Commissioner's decision was communicated on 20th December 2005. The Agent had not paid (*the BSP Billing*) by the deadline but it claimed that the sanctions foreseen in the Resolutions for failure to pay in a timely manner should not apply.
- A Colombian travel agent who had voluntarily relinquished its IATA approval and later decided to sell the agency but with accreditation, notwithstanding the voluntary relinquishment that had been done in writing.
- A non IATA Columbian travel agent who had not yet applied for accreditation, appealed to the Commissioner with the aim of obtaining a reduction in the level of financial guarantee required of new applicants. In fact, the agent made a serious mathematical error in converting the quantum of financial guarantee into its national currency (i.e. by a factor of 2000%). The Agent was briefed on the application procedures and the correct local currency figure was given for the financial guarantee.
- Another Columbian travel agent sought the Commissioner's intervention with IATA so that IATA would not impose sanctions on the Agent for a billing payment irregularity.

Thus half the requests relate to payment irregularities where agents acknowledged having been late but where they sought to avoid sanctions. The other cases relate to miscellaneous matters.

There appears to be a tendency in Area One by which travel agents seek through the Commissioner a means of avoiding the consequences of sanctions foreseen in the Resolutions for payment irregularities. The agents in majority recognize not making payment on the due dates but nevertheless seek review in order to obtain preferential treatment exonerating them from sanctions.

Agenda Item: G15
Revision No.: 0
Date: 27 Apr 06
Page: 1 of 2

Report of the Travel Agency Commissioner, Area 2: 2005 - 2006

Between May 2005 through mid-April 2006, the Commissioner took action on 61 matters and provided incidental guidance to Agents in 12 other instances.

Area Two has the largest number of IATA Accredited Agents (about 38,500 Approved Locations) and that is reflected in the work volume. The activity now regularly accounts for four days per week. In addition to the caseload described in the Appendices, there is a constant stream of communications from travel agents, airline field offices and BSP field offices seeking information, confirmation or guidance on technical aspects of the Agency Programme. In that connection, the Commissioner's website has proven to have been a useful innovation <www.travel-agency-commissioner.aero>.

Wherever possible, the Commissioner endeavours to reach a solution without expending time and money on a hearing. That may help explain why only five disputes during the ten and a half months covered gave rise to a hearing.

The lists of matters passing across the Commissioner's desk are attached as Appendix 'A' and Appendix 'B'. Quick reference tabulations are set out on Appendix 'C'.

Fares disputes either initiated by Agents or through ADMs raised by airlines, are the principal source of cases. Agent reliance on GDS charges data, input of which is not always synchronized with that of fares data, continues to cause problems. The inability of BSPlink to handle satisfactorily ADM disputes for some carriers also remains a cause for travel agent and BSP field management concern.

It has become apparent, particularly since mid-March that the number of incidents of disputed or questioned ADMs, although still relatively small, is increasing. The 2006 edition of the Travel Agent's Handbook containing the new ADM rules, in many cases, did not reach Agents until late February. Now that the new rules are becoming better known, they are being invoked. It is also true that outsourcing of post flight audits can give rise to ADMs, triggered by minor deficiencies, that an airline's own revenue accounting department might not have pursued.

Although it is still early days, it is apparent that knowledge of the new ADM issuance rules and dispute procedures among BSP airlines field offices and travel agents is inadequate. The Conference might care to consider ways of bringing this very sensitive aspect of Airline/Agent relations to wider industry notice.

Over the period under report the Commissioner made presentations to Agent associations in Germany, Switzerland, Tunisia, Kenya and the UK. Those presentations covered the work of the Office of the Travel Agency Commissioner and the ins and outs of ADMs, particularly the changed rules effective since January of this year. Invitations to address meetings are pending from several agent associations.

Agenda Item: G15
Revision No.: 0
Date: 27 Apr 06
Page: 2 of 2

The invitation to speak to KATA in Kenya had its origins in a local problem concerning the presentation and use of STDs reported as voided or cancelled, which has attained serious proportions. Remedies presently being tried are creating friction with uninvolved Agents and Travel Agency Commissioner review proceedings foreseen in the Rules need to be envisaged to address the problem.

Activity Report TAC Area 2: May 2005 - June 2006

Incidents on which TAC Took Action

Date	Country	Incident	Outcome
May '05	Bulgaria	Special fare of Carrier 'A' but using CIP of carrier 'B' who billed for difference. Agent disputed ADM. TAC explained ADM dispute provisions.	closed
May	Tunisia	Inability of Agent to recoup for pax a fare difference stemming from change of itinerary en route.	not known
May	U.K.	Refund on cancelled tix - inordinately slow - TAC reminded carrier of PAConf policy.	not known
June	Germany	later, out of time, sought reinstatement. TAC's protracted attempts to bring parties together were to no avail.	closed
June	Bulgaria	Agent issued tix relying on GDS -- was ADM'd for using wrong fare - dispute initiated out of time.	closed
June	Norway	ADM dispute action - explained - no follow up by Agent.	closed
June	Germany	Agent issued special fare of Carrier 'A' using CIP of Carrier 'B' - was ADM'd the difference by Carrier 'B'. TAC explained ADM dispute provisions.	closed
July	Romania	Carrier alleged underpayment on series of transactions through booking class irregularities. At hearing it was established that allegation was substantiated for part of transactions only.	Agent made good short payments due to carrier
July	Morocco	Out of time ADMs alleged - matter was settled between Agent & Airline.	closed
July	Germany	Agent issued duplicate tickets and failed to obtain refund on unused tix from airline - confused facts.	not known
July	Morocco	ADM was issued out of time - settled between Agent and Airline.	closed
July	Spain	Out of time appeal against Agency Administrator removal action (3 years late).	appeal refused
July	South Africa	GDS 'wastage' charges were ADM'd to Agent who disputed them -- settled between Agent and Airline.	closed
July	South Africa	Agent ADM'd for claiming commission on tix which carrier disallowed - guidance provided.	not known

July	U.K.	Carrier ADM'd for alleged baggage allowance ticketing error. TAC informed Agent on ADM dispute procedure.	closed
Aug	Bulgaria	Unresolved ADM dispute was referred to TAC to rule upon as arbitrator.	Dispute was rejected and ADMs were upheld
Aug	Germany	Carrier ADM'd Agent for minor ticketing irregularity, but with significant differential. ADM dispute rights explained to Agent.	not known
Aug	Germany	ADM disputed. TAC advised Agent it was probably in order.	Agent discontinued dispute
Aug	Germany	ADM for a previously authorized refund was disputed.	Agent discontinued dispute
Sep	Germany	ADM for improperly combined fares. Dispute procedure explained.	Agent discontinued dispute
Sep	Morocco	Agent protested airline's decision to reduce rate of commission. Contractual position explained.	Agent discontinued complaint
Sep	South Africa	Carrier lay doggo on refund of unused ticket which went astray in the post. Lost ticket indemnification procedure explained to airline. Refund was finally effected.	closed
Sep	Germany	Tix issued following airline's instructions, were later ADM'd. Matter went to airline's Rev. Acctg. Dept.	appeal rejected by airline
Oct	Estonia	Agent ADM'd twice for same transaction. Disputed 2nd ADM - TAC intervened informally. Settled.	closed
Oct	Greece	Agent appealed against carrier decision to withdraw CIP. TAC's inquiries confirmed carrier acted for good reason.	application for review was refused by TAC
Oct	Ireland (1)	Agent disputed ADM. Carrier did not respond. TAC explained dispute procedure to airline which thereupon implemented it.	closed
Oct	Ireland (2)	Comparable facts to (1) but different carrier. Dispute was accepted and corrected.	closed
Nov	Morocco	A carrier's corrective ACMs were not reflected in a short-paid BSP Billing, giving rise to a 'technical default'. Agent protested.	IATA action was amended
Dec	Tunisia	Agent disputed ADM for ticket where first coupon was not used by pax. ADM dispute procedure was explained.	dispute was discontinued

Appendix 'A'

Dec	Namibia	Tix issued using carrier's own fare quote were ADM'd - ADM dispute procedure was explained by TAC.	not known
Dec	Germany	Agent complained that carrier should not have issued ADM for a mere technical defect. Matter referred informally to airline by TAC.	not known
Dec	Ireland	Agent ADM'd after using GDS ticketing input data which proved to be incorrect. ADM dispute procedure was explained to Agent.	not known
Dec	ASATA	Revised reporting procedure for voided STDs was disputed. Guidance was sought on Rules.	see report
Jan-06	Germany	Agent disputed ADM out of time - new ADM dispute procedure explained by TAC.	not known
Jan	Belgium	Guidance sought on APJC membership requirements by VVB - confirmed by request from APJC secretary.	informal opinion was offered
Jan	Italy	Multiple ADMs disputed by Agent - new ADM dispute rules guidance provided by TAC.	closed
Jan	U.K.	Carrier issued ADM for transaction completed 5 years previously. Guidance provided by TAC.	closed
Jan	Switzerland	Agent issued ticket based on GDS data which gave wrong tax. Agent disputed ADM.	unknown
Jan	Kuwait	Agent contested b.g. quantum - TAC brought parties together and agreement was reached.	closed
Feb	Italy	Agent questioned XB's method of assessing quantum of b.g. and requested review of XB decision.	hearing likely in July
Feb	U.K.	Ag. Ad. inquired about misused booking classes. Agent's explanation was sought and accepted.	closed
Feb	Malta	Confusion over new ADM dispute procedures (2006 Travel Agent's Handbook undelivered at the time). New ADM procedures were explained by TAC.	resolved
Feb	Morocco	BSPlink, standard version, was giving refund problems. Agent signed up for Enhanced version.	resolved
Feb	Morocco	Agent disputed BSP Billing on grounds ADMs had been withdrawn by carrier. Referred to BSP Manager.	not known
Feb	U.K.	Carrier ADM'd agents for entering 'wrong' baggage allowance on its tickets - ADM dispute procedure was explained.	closed

Feb	Switzerland	Agent unable to dispute ADM via BSPlink - dispute procedure was explained.	BSP Mgt resolved problem
Feb	Switzerland	Carrier failed to connect pax and left them stranded en route. Agent sought remedy for pax. Advice given.	closed
Feb	Switzerland	ADM with admin. fee was issued out of time. Agent had not received 2006 Travel Agent's Handbook ADM - dispute provisions - procedure explained.	resolved between the parties
Feb	U.K. (1)	Carrier via XB complained that Agent manipulated booking codes with loss to airline. TAC initiated an enquiry. Carrier satisfied with Agent's explanation to TAC.	closed
Feb	U.K. (2)	as per U.K. (1). Carrier accepted Agent's explanation.	closed
Feb	U.K. (3)	as per U.K. (1) & (2). Carrier accepted Agent's explanation.	closed
March	Austria	Agent removed from Agency List for failing to file timely application for Change of Ownership. Complicating factors involved. Referred to hearing.	Agent reinstated after correction of all shortcomings
March	Belgium	Agent unable to dispute ADM via BSPlink. ADM dispute guidance provided by TAC.	pending
March	Burkina Faso	Agent was double debited by carrier for same ticket. Had not received TAH and was unaware of new ADM dispute procedure.	pending
March	Czech Republic	Agent requested an increased remitting frequency to reduce financial guarantee requirement.	referred to Ag. Ad. for action
March	Switzerland	Carrier withdrew erroneous ADM but then raised another for its 'administration fee' -- no published ADM policy.	settled
March	South Africa	Carrier ADM'd Agent for a charge not previously communicated to that Agent.	matter settled bilaterally
March	West Africa	SAVA-CI complained its members were being harassed by one particular airline via unjustified ADMs. TAC explained new ADM dispute procedure.	unknown
March	Germany	Agent issued special fare of Carrier 'A' using CIP of Carrier 'B'. Was ADM'd difference by Carrier 'B' and sought refund when Carrier 'A' returned fare difference to carrier 'B'.	pending
April	Germany	Disapproved applicant sought review of quantum of financial guarantee asked by Ag. Ad.	pending
April	U.K.	Ag. Ad. Complaint of alleged booking code manipulation by an Agent	pending

April	Bulgaria	Agent ADM'd by BSP Airline not represented in Bulgaria. Communications difficulties. Agent was provided with explanation of ADM dispute procedure.	closed
April	Morocco	Agent ADM'd for PTA issued for non-refundable fare ticket that was never issued. ADM dispute procedure was explained to Agent.	not known
April	Czech Republic	ADM for paper ticket charge was disputed as prior notice had not been given. GSA sought to suppress dispute. ADM dispute procedure was explained.	not known
April	Morocco	Agent sought refund of unused PTA of which carrier had lost trace. Refund procedures explained to Agent.	not known
April	UK	ADM was processed but then recognized as invalid. Reversal of debit dragged out. TAC suggested alternative approach. Matter was settled.	closed
May	Israel	Agent was ADM'd for no-show pax. ADM dispute procedure was explained to Agent.	not known
May	U.K.	Agent plated on Carrier 'A' for travel on Carrier 'B' at special Carrier 'B' fare and was ADM'd for difference. Interline settlement system was explained to Agent.	not known
May	Switzerland	Within nine months of final travel rule for ADMs was explained to Agent.	not known
May	Germany	Address of Agent to be used for notices, issued under PSAA - provision was pointed out in response to inquiry.	not known
May	France	ADM which was processed in questionable circumstances and settled. Agent's dispute was made out of time.	closed
June	Bulgaria	ADM disputed by Agent on grounds that ticket was issued in reliance on GDS data. ADM dispute procedure was explained to Agent.	pending
June	Germany	Agent unable to secure overdue refund from overseas based BSP Airline without an office in Germany. BSP Airline's head office attention was drawn to Reso 824r.	pending

12

73 Grand Total

Activity Report TAC Area 2: May 2005 - June 2006

Miscellaneous Incidents which have not given rise to TAC Intervention

<u>Date</u>	<u>Country</u>	<u>Incident</u>	<u>Outcome</u>
July 2005	South Africa	STDs missing from Agent's custody resulted in carrier being cheated. TAC guidance given to XB on follow-up procedure.	not known
Sep. 2005	Tanzania	Agent could not account for 141 voided but flown tix	not known
Dec. 2005	South Africa	Proposed new Agent reporting procedure of voided STDs directly to BSP Airlines was protested by ASATA and corrected by XB.	closed
Jan. 2006	South Africa	Carrier presented Agent with single ADM covering six unrelated transactions. Agent disputed ADM.	not known
Jan. 2006	South Africa	Carrier threatened to issue ADM for travel completed 4 years previously unless....	not known
Jan. 2006	Malta	FATTA protested practice of airline of selling cheaper fares over internet than are available to IATA Agents.	stalemate
Jan. 2006	Germany	Airline not making refund to Agent despite itself having been indemnified and authorized by interlining carrier to do so.	not known
Feb. 2006	Italy	FIAVET disputed introduction of an annual listing fee for STDs.	resolved
Feb. 2006	Switzerland	Agent was ADM'd for issuing ticket on strength of GDS data which was wrong. ADM is in dispute.	pending
Mar. 2006	Côte d'Ivoire	SAVA reported occurrences of bizarre ADMs from one BSP Airline. Guidance of ADM procedures given.	unknown
Mar. 2006	U.K.	Agents association expressed concern that its members were being ADM'd for wrong baggage allowance data provided by a GDS.	closed
Mar. 2006	Congo	Agent disputed ADM as being wrongly grounded. Matter referred to BSP Management for correction.	pending

Date	Country	Incident	Outcome
Apr. 2006	Malta	Agent disputed carrier's right to refuse commission on sale originated in another country where commission is not paid.	closed
1-May-2006	Italy	28 Agents disputed a BSP Airline's ADMs raised for wrong baggage charges. Agents argued compliance with GDS ticketing data.	resolved by the parties

Activity Report TAC Area 2: May 2005 – April 2006

Main causes of cases

GDS alleged irregularity cases:	4
Fare disputes:	13
Appeals against Ag. Ad. Decisions:	7
Alleged defective ADMs:	24
Commission disputes:	3
Appeals against airline actions:	1
BSP Billing disputed:	2
Miscellaneous:	3
Carrier Complaints:	4
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	61

Agenda Item: G15
Revision No.: 0
Date: 27 Apr 06
Page: 1 of 1

Report of the Travel Agency Commissioner, Area 3: 2005 - 2006

Attached at Appendix 'A' is a summary of cases over the past year and pending matters.

There have been several matters involving Agents wishing to use credit guarantee products issued by United Insurance Company Limited ("UIC"). These have involved significant numbers of Agents and have provoked high cost and unprecedented responses from the IATA Secretariat. Some additional comment is therefore appropriate.

The first such case was decided in November 2005 in Australia. A copy of this Decision is attached at Appendix 'B'.

It was decided by the Substitute Travel Agency Commissioner that UIC was "an insurance company acceptable to IATA" for the purposes of the applicable Australian financial criteria.

The IATA Secretariat ignored this Decision notwithstanding that Resolution 820e provides that such a decision is final and binding on the parties, including IATA Members.

In addition, in 4 similar subsequent requests for review by Agents, the IATA Secretariat refused initially to stay action against these Agents pending the TAC review. PAConf last year inserted paragraph 1.2.5 into Resolution 820e providing that a request for review shall, upon acceptance by the Commissioner, have the effect of suspending the decision of the Agency Administrator.

I have agreed, by the terms of my appointment, to give effect to the applicable Conference resolutions. I am not prepared to apply other versions convenient to the IATA Secretariat or to acquiesce in breaches of the applicable anti trust exemption in Australia or to expose carriers to allegations that they have not complied with the rules. I am also under scrutiny by Agents and must retain confidence that the TAC fairly applies the Conference rules. For these good reasons, I raised the IATA Secretariat's non compliance with Australian anti trust authorities.

The IATA Secretariat has advised some carriers that the TAC has "overstepped his area of responsibility and acted without due concern for the industry by introducing a complaint to the competition authorities". This is quite inaccurate and I consider such suggestions to be unfair and self serving of the IATA Secretariat. This also distracts attention from the IATA Secretariat's deliberate failure to give effect to an important Conference resolution.

Appendix 'A'

No	Date	Country	Incident	Outcome
1	May 05	India	Applicant for accreditation sent 2 staff members to an IATA training course on the understanding that such course met staff qualification requirements. All other accreditation requirements were met. IATA put application on hold pending APJC approval of training course.	TAC Decision that applicant be accredited. If IATA believed that staff qualifications are deficient, IATA invited to ask for TAC review. TAC noted that qualification requirements actually applied by IATA differed from those required by the Agents Handbook.
2	June 05	India	Three Agents sought TAC review of the conduct of 4 Carriers which capped the respective Agents for a period to zero tickets without prior notice and without any reference to the relevant Agent's financial position. This arose in the context of the reduction in commissions in India announced in April 2005 and the subsequent campaign by Agents and Agents Associations to have the decisions reversed. One Agent also claimed that one Carrier had "taken over" its client and allocated the client to another Agent.	TAC Decisions by consent of the parties. Carriers agreed in favour of all Agents in India on a limitation on their discretion under IATA Resolution 824, paragraph 6.3. The limitation is that, except where withdrawal of electronic ticketing authority (including any material reduction in ticketing) is due to the financial position of the Agent, withdrawal of ticketing authority (including any material reduction) <u>shall not be effected except upon reasonable cause and upon at least 3 business days prior notice</u> . Claim by Agent that Carrier had "taken over" its client dismissed
3	November 05	Australia	Agent defaulted for accumulated irregularities but argued final irregularity was caused by bona fide Bank error.	TAC Decision by consent that Agent be reinstated but during the 12 months after reinstatement any irregularity to be deemed to be a default.

Appendix 'A'

No	Date	Country	Incident	Outcome
4	November 05	Australia	Agent tendered a credit guarantee from United Insurance Company Ltd ("UIC") to satisfy the applicable local financial criteria. IATA Secretariat advised Agent that UIC was not "an insurance company acceptable to IATA". Agent appealed to TAC on basis that IATA action "unreasonably diminishes the Agents ability to conduct business in the normal manner" Substitute TAC appointed primarily in view of personal relationships which rendered TACs for Area 2 and Area 3 unwilling to hear the case.	TAC Decision that UIC was "an insurance company acceptable to IATA". IATA ignored Decision and notified Agent that if alternate acceptable security was not provided by a deadline, Agent would be placed on a Cash Basis.
5	December 05	India	Agent cancelled a reservation on a Carrier and was billed an ADM. Agent refused to pay and Agent claims Carrier has subsequently excluded Agent from Carriers reservation system so as to force payment of ADM.	After some delay, Carrier has recently provided a detailed reply and hearing will be held shortly.
6	January 06	Australia	Four Agents who had tendered UIC credit guarantees were advised by IATA Secretariat that these were not acceptable and that failure to provide an acceptable security by a deadline might result in a Cash Basis being imposed. Agents appealed to TAC under 2006 rules which provide that IATA actions are to be stayed pending the TAC Decision.	TAC accepted requests for review and sought IATA assurance that stay would be observed. Stay requirements initially ignored by IATA. Agents subsequently tendered acceptable security and either withdrew reviews or have not proceeded.

Appendix 'A'

No	Date	Country	Incident	Outcome
7	January 06	Philippines	47 Agents sought reviews by TAC of a decision by IATA Secretariat that a UIC product was not acceptable by IATA for the purposes of the 2006 group default guarantee program. Substitute TAC appointed primarily in view of personal relationships which rendered TACs for Area 2 and Area 3 unwilling to hear the case.	Agents and IATA reached a settlement under the auspices of the substitute TAC
8	March 06	India	Agent declared in default for non payment of an ADM. Agent was subsequently terminated but requested a review by TAC.	TAC advised that Agent has commenced legal proceedings against Carrier issuing ADM. Agent advised that review will not proceed while litigation is pending
9	March 06	India	Agent had in 2004 received ADM's from a Carrier for incorrectly priced fares and this had been held in abeyance pending additional information being provided by Carrier. This had now been provided to Agent and revised ADM issued.	Hearing pending
10	April 06	India	Agent was defaulted for accumulated irregularities and failed to comply with repayment schedule by due date. Following notice of termination, Agent sought TAC review and paid all outstandings	TAC Decision by consent that Agent be reinstated but during the 6 months after reinstatement any irregularity to be deemed to be a default.
11	April 06	Pakistan	IATA requested review on complaint of a Carrier which claimed that Agent had claimed and been paid refunds in respect of some 100 tickets which had earlier been refunded by the Carrier.	TAC Decision by consent by which Agent agreed to pay certain amounts to carrier and any failure to meet repayment schedule to be deemed to be a default by Agent.

Updated Report by the Travel Agency Commissioner, Area 3

Since my Report which was contained in the first transmittal of Conference papers, two additional ADM cases have been decided involving significant payments to carriers. In addition, another case involving the acceptability of a financial product has been decided in Australia

Pakistan _____ April 2006

In 2004 the Agent claimed, and was paid, refunds in respect of tickets which had already been refunded by the carrier. Subsequently, commercial discussions took place between the carrier and the Agent. These discussions led to a settlement agreement whereby the Agent was to pay the then agreed settlement amount to the carrier by instalments. The Agent subsequently defaulted on this arrangement and at the request of the carrier/ IATA, the Agent was placed on review by the TAC. As a consequence of a hearing in Karachi, the Agent and carrier agreed to a new settlement which, by consent, has been incorporated in a TAC Decision. If the Agent defaults in the performance of this agreement then the Agent will be placed in default under the applicable IATA resolutions such that default under this arrangement will preclude the Agent from acting as an IATA Agent for any carrier.

India _____ June 2006

This case first came to the TAC by complaint of the Agent in 2004. The relevant carrier had at that time lodged an ADM with the Agent for undercollections in respect of some 22 tickets but had not provided sufficient detail for its assessment by the Agent. The ADM was withdrawn from the BSP and the carrier agreed to provide further detail. In March 2006 the carrier provided detail in respect of the original tickets and some 89 additional tickets. A hearing was held during April in India and the Agent and the carrier agreed to settle the outstandings under a TAC consent decision. This provides for an agreed schedule of instalments to be paid by the Agent and any default by the Agent will be treated as a default for the purposes of the IATA resolutions thereby providing a substantial assurance to the carrier that the agreement will be performed.

Group Event Travel, Sydney

In addition to the above, a substitute Travel Agency Commissioner rendered his decision in respect of a review initiated by Group Event Travel, Sydney as to whether a product issued by United Insurance Company of Barbados met IATA's requirements for additional financial security for the purposes of the financial criteria applicable in Australia. The decision was, after an extensive hearing process, that the UIC product is indeed acceptable.

I am aware that the IATA Secretariat has published material contending that the TAC has acted beyond his authority in this matter. This is, of course, rejected absolutely. If the Conference does not wish the TAC to review IATA Secretariat actions on financial securities, then it should simply make that clear by appropriate amendments to the relevant Resolutions. The TAC system will soon fail if the IATA Secretariat does not accept TAC decisions which may be inconvenient to it.