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From: Michel de Blust

To: Members
Delegates of the Air Matters Committee

Date: 22 September 2016

Subject: Summary of the outcomes of PACONF/39 – Singapore, 19-21 September

Summary: PACONF adopted Resolution 8xx on New Gen ISS with the exception of section 5 on Remittance Holding Capacity and section 14 on agency fees.

With respect to ECTAA/WTAAA's proposals on New Gen ISS, PACONF agreed to modernise the accreditation process and rewrite the BSP manual for agents.

ECTAA/WTAAA's proposal to amend/repeal § 1.4 of Resolution 890 on card sales rules was rejected but PACONF agreed to revise Res 890.

Next steps: Further work is scheduled by the RHC and payments working groups (including review of Res 890) in October and December.

1. Presentation to PACONF

ECTAA (Michel de Blust) & WTAAA (Jayson Westbury) had requested to make a presentation to update PACONF delegates on the agents' views concerning New Gen ISS and in particular with respect to the proposals on agent's credit capping or Remittance Holding Capacity (RHC), Easy Pay (both the light accreditation and the form of payment) and the Global Default Insurance proposal.

ECTAA further presented the initial findings of the study undertaken with ET TSA concerning the modernization of the Agency programme and its governance.

During the Q&A there were a number of questions from airline delegates on the agents' position in particular concerning RHC, including the alternative proposed by ECTAA/WTAAA to implement some form of real time ticket sales monitoring instead of RHC.

2. Summary of decisions adopted by PACONF/39

Please refer to the specific PACONF agenda items in the 1st & 2nd transmittals and the onsite documents.

R.1 New Gen ISS Resolution 8xx

Resolution 8xx was adopted unanimously with the exception of section 5 on Remittance Holding Capacity and section 14 on agency fees.

RHC is still work in progress subject to the outcomes of the RHC working group at which ECTAA and WTAAA participate.

Some carriers expressed reservations vis-à-vis the principle of “credit capping” of agents.

Easy Pay principles were adopted, and the final resolution will be subject to a mail vote during Q1 2017 with a view to include the Easy Pay accreditation provisions in the 2017 edition of the Agency Manual (published 1 June).

The local APJCs will be involved in the implementation of New Gen ISS in the respective markets.

The implementation will take place in four waves and IATA has indicated that it will work with agents on pilots before implementation. (NB. See IATA attempts to run daily payment pilots in Spain and Korea in 2014!)

R.2 Transition resolution was adopted with a 1 Nov 2017 effectiveness

R.3 on Global Default Insurance

The proposal was adopted with effect 01 March 2017.

It is understood that the Global Default Insurance will be tested in 4 countries agreed by the PSG.

The Conference Chairman advised to continue raising the issue of transparency of the terms of reference of the insurance as well as all conditions applying, including premium collection and possible rebates. (NB Matter to be further addressed at the PAPGJC)

R.4 ECTAA/WTAAA proposals on New Gen ISS

The ECTAA/WTAAA proposal was useful to the extent that the Conference agreed that the accreditation process needs to be modernized. IATA confirmed that applications for accreditation will be processed online.

The Conference further agreed to rewrite the BSP manual for agents. This task should be completed by 1st Quarter 2017 (Andrea SIMOES in charge).

R.6 Treatment of post billing disputes (+onsite paper)

The proposal was adopted by PAConf. Disputed ADMs will have to be paid to IATA and the money will be held for a period of up to 30 days to resolve the post billing dispute in BSPLink.

At the end of the period the money will go to the airline or back to the agent depending on the agreement reached.

R.8 Composition of the PSG & PAPGJC

The proposal to expand the PAPGJC from 18 to 24 members has been approved.

The agents' delegation will count 12 members (instead of 9). Effectiveness Jan 2017. ECTAA/WTAAA will hold two more seats.

R10.1 on debt repayment terms

ECTAA/WTAAA's proposal not to apply a 1% penalty was rejected because the provision already applies in Resolution 818g.

R.11 and onsite R11.1 changes to Resolution 854 on suspension of ticketing functionality within 3 hours

The proposal was adopted.

An interesting proposal by the TACs not to communicate immediately a suspension of the ticketing authority to airlines reached the Conference too late and wasn't discussed.

R.13 on PCI DSS compliance

This has been adopted as proposed. It is still unclear how an agent will be able to demonstrate if he is PCI DSS compliant.

R.14 APJC annual review of reporting date to remittance date period

The proposal as amended in the corresponding onsite paper was adopted.

R.15 on late submission of financial securities was adopted (effective 01 June 2017)

An interesting proposal by the TACs not to communicate immediately a suspension of the ticketing authority to airlines reached the Conference too late and could not be discussed.

However the PAConf chairman considered that the TAC proposal could be approved by the

Conference and recommended that the proposal be submitted to the next PAConf.

R18 on agents' collection for suspended airlines was adopted. Item R 32 as proposed by the HKG APJC was not adopted.

R.20 Changes in remittance frequency

The various proposals under R.20 were approved with **the exception of R 20.7 concerning Scandinavia which was not voted on.**

In the light of the situation at the APJC Scandinavia the Conference had a discussion on the functioning of "multi country" APJCs and the PSG will review the situation.

R.25 ECTAA/WTAAA proposal on Resolution 890 § 1.4

The proposal to amend/repeal § 1.4 was rejected once again.

However the Conference agreed that the entire Resolution 890 needs a revision. The payment working group has been tasked to review Resolution 890 "as soon as possible".

R.26 ECTAA/WTAAA paper on web sales was not discussed since there was no other proposal on the agenda

R.29 TUNISAIR position on New Gen ISS

The Conference agreed to include a "whereas" provision in Resolution 8xx which in practice will exclude Tunisia from the application of Resolution 8xx subject to a later review.

R.30 Report on ADM reduction project

A progress report was presented to PAConf. It was noted that the number of ADMs has been increasing significantly in 2015 reaching a total amount of 2.3 million ADMs for a face value of 530 million USD.

Next meetings:

The next PACONF is due to take place in September 2017.

There will be a number of PSG meetings in November and December 2017 as well as February, March and April 2017.

The next PAPGJC meeting is likely to take place in February or March 2017, subject to confirmation.

RHC and Payment working groups meetings have been scheduled on 26/27/28 October 2016 and 14/15 Dec 2016.