



18 November 2016

M E M O R A N D U M

To: All Members of IATA
Passenger Agency Conference Accredited Representatives

From: Director, FDS Operations

Ref: PAC/Meet/238

Subject: **THIRTY-NINTH PASSENGER AGENCY CONFERENCE (PACConf/39)**
Marina Bay Sands Hotel, Singapore, 19-21 September 2016
MINUTES

Kindly find enclosed the Minutes of the Passenger Agency Conference that took place at the Marina Bay Sands Hotel in Singapore on 19-21 September 2016.

The Expedited Resolutions and Finally Adopted Resolutions adopted at that meeting were circulated under cover of Memoranda PAC/Reso/626 and PAC/Reso/627 of 18 November 2016 respectively.

Juan Antonio Rodriguez
Director, FDS Operations



**MINUTES
OF THE
THIRTY-NINTH PASSENGER AGENCY CONFERENCE**

Marina Bay Sands Hotel, Singapore

19-21 September 2016

**P.O. Box 416
1215 Geneva 15 Airport
Switzerland**

MINUTES OF THE THIRTY-NINTH PASSENGER AGENCY CONFERENCE

Marina Bay Sands Hotel, Singapore

19-21 September 2016

M/1 These Minutes bear the references used in the agenda and documentation of the 39th Passenger Agency Conference (PACConf/39).

AGENDA ITEMS A1, A2, and A3 – OPENING OF MEETING

M/2 Mr. Christopher Gilbey, Chairman of the Passenger Agency Conference, opened PACConf/39 at 09.00 hours on Monday, 19 September 2016 at the Marina Bay Sands Hotel in Singapore. He was pleased to note such a large turnout and extended a particularly warm welcome to many new delegates attending Conference for the first time. He introduced with him at the top table Mr. Aleks Popovich (Agency Administrator and SVP FDS) and Mr. Juan Antonio Rodriguez (Director, FDS Operations and Secretary to the Conference).

M/3 The attendance record is enclosed separately.

M/4 The Chairman recalled that the Conference had been convened by Memorandum PAC/Meet/235 of 17 June 2016. Further documentation had been issued under Memorandum PAC/Meet/236 of 18 July 2016 (1st transmittal); Memorandum PAC/Meet/237 of 18 August 2016 (2nd transmittal); and email of 13 September 2016 (1st onsite documents). In addition a revised R11 was being circulated onsite. If there were any additional Onsite papers from members, he asked that these be provided to the Secretariat by mid-morning however none was forthcoming.

M/5 The credentials of representatives present at the meeting had been verified and found to be in order. Each delegate was thus entitled to vote. The Chairman reminded members that the confidentiality rules of Resolution 892 applied to Conference deliberations.

M/6 The Chairman explained how he intended to run the meeting. After the 'A' items, he would address all the 'R' items before dealing with all other parts of the agenda. In all instances, where comments had been made by the Travel Agents or other third parties, he would draw attention to those comments before proceeding with the item.

M/7 The Chairman advised that the main item on the agenda was New Gen ISS. He was pleased to see that many carriers had managed to attend the four New Gen ISS workshops the previous day in preparation for Conference. It was particularly important that carriers were up to speed with the work that had been done on New Gen ISS since last year as delegates would be asked to agree to proceed to the next stage and adopt resolution 8xx that would allow New Gen ISS to come into effect on 1 January 2018, subject to reaffirmation by next year's PACConf. If adopted, that would bring about some of the most radical changes to the Passenger Agency Programme since its inception in 1979.

M/8 Due to the importance of New Gen ISS, the Chairman explained that this year PACConf was being held at the same venue as the World Financial Symposium (WFS), which included a meeting of IATA's Financial Committee and the FinDev Working Group (FDWG). Members of the Financial Committee and FDWG had been invited to participate in this Conference alongside their PACConf colleagues should their busy schedules permit. Unfortunately, on a show of hands, it did not appear that any of them had been able to take up the invitation.

M/9 After explaining how he intended to conduct the proceedings, and take some items out of order, the Chairman advised that he would deal with a few administrative items and then close the formal session. At that point, there would be an open session with representatives of the travel agent community where PAConf would hear presentations from Mr. Jayson Westbury, CEO of WTAAA and Mr. Michel De Blust, Secretary General of ECTAA/GEBTA giving their views of New Gen ISS. There would be no recording of discussions during the closed session.

M/10 Before proceeding further, the Chairman invited Mr. Lugo to speak.

AGENDA ITEM A4 – COMPETITION LAW COMPLIANCE

M/11 Mr. Lugo, IATA Assistant General Counsel, introduced his colleagues Mr. John Middleton also from IATA Legal and an expert in bankruptcy law, and Eric Vallieres from the law firm McMillan who was leading the competition research into New Gen ISS.

M/12 Mr. Lugo then reminded Conference of its obligations under antitrust laws and provided a brief statement on competition law, emphasising areas that carriers must not discuss.

AGENDA ITEM A5 – APPROVAL OF MINUTES OF PREVIOUS MEETING

M/13 The Minutes of PAConf/38 (Geneva, Switzerland held on 16 and 17 October 2015) were published on 26 November 2015 under cover of Memorandum PAC/Meet/234 and approved as written.

ITEM A6 – REPORT FROM SENIOR VICE PRESIDENT FDS

M/14 Mr. Popovich advised that his report would be brief, as much of it had been covered in the open session with the Travel Agents earlier. In terms of BSP performance, there were a number of quality metrics set for the BSP to monitor performance. One was the percentage of funds settled on time, where the target set for 2016 was 99.98% and he was pleased to report that IATA was on track to meet if not exceed that target.

M/15 The key issue now was Safer Funds and the KPI for unrecovered debt, with a target of 0.025% of BSP sales for 2016. One of the drivers here was the recent bust-out in the UK and France, which had reinforced the need for real time reporting. It had highlighted that 24 hour reporting was no longer good enough. Although the unrecovered debt figure forecast was 0.030%, he was pleased to say that that number was going downwards but there was still a risk and that highlighted the need for New Gen ISS. Until that happened, IATA was doing its very best to manage without it.

M/16 Whilst volumes in the BSP had improved, they were still short of the target that had been set. Customer satisfaction was also very important to IATA and here they seemed to be on track. Also very important were operating unit fees where a target of 10.93 cents had been set by the end of the year, and the forecast was that IATA would do better than target at 10.58 cents. In other words, IATA was looking to grow the quality of the system at lower unit fees.

M/17 As a result of the unrecovered debt item, IATA had put in place a number of short-term measures pending the introduction of New Gen ISS. One was the establishment of an Agent Credit Risk Management (ACRM) Working Group. Members would recall 1-2 years ago following the AFT episode that he had asked every airline to appoint an agent credit risk champion, namely somebody in the airline who was network accountable for deciding on behalf of the airline about the continued ticket sales of an agent. As some airlines were more advanced than others in this area, IATA was establishing a working group of the most enthusiastic and advanced agent credit risk managers that would advise IATA on potential

future trends in agent credit risk. The group would be populated shortly and Mr. Rodriguez would be the Secretary. The group would be highly visible to the PSG as well as being accountable to the Financial Committee and that would create a very strong link between the work of the PAConf and the work of the FinCom.

M/18 In respect of 'real time' risk reports, he hoped that he would be able send out a letter co-signed by the Chairman of WTAAA and the Secretary General of ECTAA advising the GDSs that this was what the airlines and the agents wanted to have whilst working towards New Gen ISS. One of the targets was to significantly reduce unrecovered debt by 2020, and IATA had made a commitment to make an 80% reduction in the level of unrecovered debt by 2020 versus 2013, with a 50% reduction on the 2015 level by 2020.

M/19 Turning to New Gen ISS and IATA EasyPay (IEP), members would note the IEP unit fee of 53 cents against BSP Cash Sales as a form of payment at 0.12 cents. However there were other forms of payment in the industry that were growing - electronic wallet providers, agents' own credit cards, virtual account number providers. Conference would note the significant difference in the unit fees of those providers. He wanted to highlight that the GDSs had a growing investment in eWallet and VAN products – for example Travelport owned over 70% of e-Net, and Amadeus and Sabre had made announcements about their own eWallet providers. He hoped members would see the importance of launching an EasyPay product that had no commercial objective but an industry cost recovery objective, so that the airlines as a customer of these payment methods could choose what they thought was the right thing to do.

M/20 Mr. Popovich then went on to recap the main elements of the package agreed with the travel agent community in Montreal and Geneva. As a result of the Montreal agreement, two working groups had been formed - the Transparency in Payments (TIP) Working Group under the Technical Advisory Group of the PAPGJC and the Remittance Holding Capacity (RHC) Working Group.

M/21 He reminded PAConf of the roadmap that had been developed for the New Gen ISS package based on the PAPGJC agreement in Montreal. This had been shown during the Open Session with the agent representatives so he did not intend to go through it all again other than to remark that the road map would certainly change over time. It was about working through PSG on the airlines' behalf to ensure they had a version controlled roadmap that demonstrated that they were moving at pace but also that they would deliver the programme effectively. The roadmap would be updated and published regularly to PAConf members, with an explanation of the rationale for any changes as they went along.

M/22 The Chairman commented that there would be trials of New Gen ISS taking place during the year under Resolution 844. He asked how IATA would communicate to the airlines in those trial countries exactly what was happening, recognizing that anything that came in on a permanent basis would be subject to the approval of PSG and the conditions contained in the tie-in resolution. How would the trials be communicated to the wider audience?

M/23 As a result of this PAConf and hopefully endorsement of the way forward, Mr. Popovich advised that IATA would be set with a communication task. In the same way there had been extensive consultation in the local markets on New Gen ISS, there would be a communications campaign to engage with stakeholders locally about the pilots, the story, the rationale, and there would be local meetings to ensure that everybody was aware of what was happening. He would work with the IATA Regional and Local Offices to ensure one consistent message was sent out to everybody. That would be an action item as a result of discussions here today. It was critical with a project of this nature to have a communications stream that was properly resourced where everybody would get the same and consistent message, and that would be built into the NGI programme. It would not be a one-off exercise but an ongoing activity for

the duration of the programme for both airlines and agents. IATA would also offer to go into the airlines to facilitate discussions between the different departments such as sales, finance, risk management to help connect people and make them feel positive about the changes to come.

M/24 The Chairman thanked Mr. Popovich for his report.

ITEM G1 – REPORT OF THE PASSENGER AGENCY CONFERENCE STEERING GROUP (PSG)

ITEM G1.1 – VACANCIES ON THE PSG

M/25 The Chairman drew attention to the report of the PSG where members could see what the Steering Group had been doing on behalf of the Conference during the year. As usual, PSG had addressed a number of issues, many of which were now submissions to this agenda, with a heavy focus on NewGen ISS.

M/26 PSG membership currently was limited to representatives from this Conference and was a representative body, across all 3 Areas, comprising small and large carriers with representatives that had a good knowledge of the Agency Programme. There was an item on the agenda (R8) proposing expanding the number of delegates on the PAPGJC and PSG, and if anyone was interested he asked them to please advise him or the Secretariat.

M/27 A member asked whether it would be possible to have more regular communication from PSG during the year as well as the annual report. The Chairman thought this would take some effort but agreed that the issue would be considered at the next meeting of PSG. Mr. Popovich welcomed the suggestion and an opportunity to give more visibility of the discussions at PSG to PAConf members, especially as they progressed with NewGen ISS and also other topics that the PSG covered. He would give some consideration to a light form of communication that could be developed for this purpose.

M/28 Conference then noted the report.

Action: PSG / Secretary

ITEM G2 – REPORT OF THE PASSENGER AGENCY PROGRAMME GLOBAL JOINT COUNCIL (PAPGJC)

ITEM G2.1 – VACANCIES ON THE PAPGJC

M/29 The Chairman, Mrs. Patricia George, reported that it had also been a busy year for the PAPGJC, which had been focused on trying to adapt to changing circumstances and strengthening the Agency Programme for all concerned. She believed they were on the right track and the Council was a far more harmonious group than PAConf might have heard earlier during presentations at the open forum. She thanked members who participated in the PAPGJC. Further meetings of the Working Groups would be held in October and December and she believed that they would be able come up with a satisfactory solution for the industry by the end of March.

M/30 PAConf noted the report.

M/31 In respect of vacancies on the PAPGJC, subject to the outcome of R8, these would be selected at the next meeting of the PSG.

Action: PSG / Secretary

ITEM R1 – NEW GEN ISS

Secretariat Note: Discussion of New Gen ISS and related items were taken out of sequence, as shown in these Minutes in order for readers to understand the flow of discussions.

M/32 The Chairman opened discussion on New Gen ISS (NGI) following presentations from the Agents in the Open Forum, when Conference was back in formal session, with only airlines and IATA staff in the room. He advised that he had requested a very short presentation be put together on the principles of New Gen ISS which would provide an overview of the project before getting into the specific agenda items on this topic, with the intention that there would be an outcome on the NGI proposals by the end of the day.

NGI Overview

M/33 Mr. Thierry Stucker provided a brief overview of NGI, reminding everyone of the need to modernise the Agency Programme and maintain its relevance. Today, there was a one-size-fits-all accreditation model, with unlimited risk, and limited methods of payment with only Cash or Credit Card transactions. With the future programme, agents would be able to select the accreditation model that best suited their business needs and there would be controls in place to mitigate the risk exposure for the airlines. It was proposed to introduce a new form of payment while continuing to discuss with the travel agent associations any opening for potential other new methods of payment.

M/34 Mr. Stucker briefly recapped on the main elements of the new programme. Firstly, there would be 3 models of accreditation. The first level was for agents with no Cash sales, likely to appeal to smaller agents which would be an entry level to make it very simple for agents to join the BSP. Secondly, the middle category, which was more or less the accreditation model in place today but with the introduction of Remittance Holding Capacity (RHC) and other payment methods. The third category was for multi-country agents and feedback received from consultation with CFOs of very large travel agents was that they were very appreciative of being able to operate on a global basis.

M/35 The Remittance Holding Capacity, which was under debate at the moment with the travel agents, was the tool that would help the airlines to mitigate risk and also to cap the risk, because today there was unlimited risk with the indirect sales channel.

M/36 IATA EasyPay was an airline-owned e-wallet, which would be made available as a pay-as-you-go form of payment which meant that agents would prefund their e-wallet and then pay for each ticket as they went along. The transaction would be final upon authorisation. This was quite a unique feature and unlike with credit cards, there was no right of chargeback. In addition, EP would be provided at a very attractive price, and as they would see later, the price for EP would come at a cost that was unheard of for this method of payment.

M/37 The final pillar of New Gen ISS was the Global Default Insurance which was an additional Financial Security type that would compete with other products already available in the market but which would be much more flexible for agents than obtaining bank guarantees.

M/38 Those were the main components of NGI. In terms of success criteria, the target was to reduce the level of unrecovered defaults to 0.01% by 2020 when NGI was fully implemented. That meant in monetary terms reducing the amount from US\$ 120 million down to approximately US\$ 35 million by 2020. For EasyPay, it was estimated that by 2020 9% of all BSP volumes would be EP transactions, and that was a conservative estimate.

M/39 On the accreditation side, by 2020 it was thought there would be about 10 multi-country agents and probably something like 10% of agents would have accepted the 'lighter' form of accreditation – roughly 5000 agents – some from current members but it was believed that approximately 1000 new agents would be attracted into the programme that were not currently IATA accredited. Again, those were conservative estimates.

M/40 For Global Insurance, IATA was forecasting that the product would be available in 95% of BSPs and it would be something that was much more affordable for the travel agents, who would not have put any collateral while having the same level or better protection than today. It was believed that this offering would save agents approximately US\$ 25 million in bank guarantee costs, and in the spirit of partnership, would provide the airlines with a very good level of recovery whilst at the same time helping agents to reduce their costs.

M/41 Mr. Stucker then showed members a roadmap to illustrate how the various NGI components would be delivered. The first product that would come into place was EasyPay, because that would enable agents to continue to sell beyond the RHC. Here he wished to stress that RHC would not stop agents selling. The intention of RHC was only to restrict Cash as a form of payment once an agent hit their RHC, but they would still be able to pay for tickets using the credit card of the customer or EasyPay. EP was therefore an enabler for agents to continue to sell beyond the RHC and was also a key feature for the 'Light' accreditation where agents did not have access to Cash sales, but would have access to credit card or EasyPay as the form of payment.

M/42 Next on the roadmap were the accreditation models, together with the RHC and the GI which would run in parallel as there was a strong dependency between EP, the accreditation models and RHC. For the moment, IATA was investing in setting up EP and doing some internal development to enable the solution to be rolled out, working with some early adopter airlines and their revenue accounting departments to develop a handbook for airlines to help with the adoption of New Gen ISS and EasyPay specifically. It was considered that the impact of EP on airlines' revenue accounting systems would be very limited and that it would be fairly quick to get started.

M/43 The project would be rolled out using the concept of 4 waves which IATA had used in the past. Wave 1 would be the pilot countries based on the resolution that would be voted on today, followed by countries in Waves 2, 3 and 4. Multi-country accreditation would only come into place when there was a sufficient number of countries already under the new resolution, planned to start in mid-2018. The overall programme would be completed in 2019, with a six month buffer at the end to allow for any delays.

M/44 Mr. Stucker then explained how countries would be put into the four waves. Various conditions would be taken into consideration, most importantly a set of mandatory requirements including airline/IATA/GDS readiness, EP readiness meaning the activation/deactivation of EP form of payment, and real time reporting of sales. IATA Legal would review and sign off to ensure that all the work was delivered in full compliance with anti-competition laws and, because EP was a payment method, making sure it was licensed to operate in local countries. Then there were other factors to be taken into account, with Priority A Factors where the market default rate would be a key consideration, and Priority B Factors that would cover things such as funds at risk, cash versus credit card penetration, level of FS coverage to be taken as a secondary consideration.

M/45 He showed PAConf the preliminary country waves, but that would most likely change over time and would be subject to PSG endorsement.

M/46 The Chairman asked members for any comments or questions. A member asked how the roadmap would be impacted should agents opt for other forms of payment and not EasyPay. Specifically, she recalled that for EasyPay, the Services Conference had agreed a new field for EasyPay as a form of payment. If the Transparency in Payments Working Group recommended acceptance of other new forms of payment, would that mean that in addition to adjusting their revenue accounting systems to accommodate EasyPay, later they would have to make further adjustments to accommodate these other FOPs? Knowing that other FOPs may be coming in, she would not want to have to change her carrier's revenue accounting system ten times so she would like that clarified to ensure that the system would be changed once for EP and for everything else. If they were going to move down these parallel paths, the payment methods needed to be clarified much sooner than the timelines that had been presented to the airlines today.

M/47 Mrs. George, as Chairman of the JPSC, understood that the carrier was looking for specific identification of other forms of payment, just as the code IEP/EP had been adopted by the Passenger Services Conference. If carriers wished to be able to differentiate between other different forms of payment, she believed they would have to take the same approach as that taken for EasyPay and follow the same resolution changes through the PSC.

M/48 The Chairman agreed that this was a very important point and something that would need to be built into the roadmap. Mr. Popovich confirmed that IATA would follow up on that issue. The Chairman thought the member was speaking for a large number of airlines and asked her to raise this at PSG if she did not feel the issue was being appropriately addressed.

Action:	NGI Team
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ITEM R1 – NEW GEN ISS – RESOLUTION 8xx

M/49 The Chairman thanked Mr. Stucker for the overview and then turned to agenda item R1 which showed the text of new Resolution 8xx containing the rules for New Gen ISS. He advised that New Gen ISS was a complicated package and this was a complicated resolution. He intended to treat NGI as a package so that everything was interdependent. He invited Ms. Simoes to take everyone through the resolution, excluding Sections 5 and 14 related to RHC and Agency Fees at this stage.

M/50 Ms. Simoes explained that Resolution 8xx took the concepts that were approved at last year's Conference and incorporated them into a new resolution, taking account of the new accreditation models, IATA EasyPay and the Remittance Holding Capacity which was still under discussion in the Working Group. Resolution 8xx did not include the Global Default Insurance which would be an additional financial security type under Resolution 850p available to both BSP and non-BSP markets. The idea was that Resolution 8xx would be progressively implemented in countries as they migrated to New Gen ISS, slowly replacing Resolution 818g. It would not apply to non-BSP countries because NGI was for BSP countries only. Where there were new changes coming in with NGI those changes had been incorporated into the text, otherwise they had tried to maintain the principles or the key features in r818g, so much of the text was based on the existing text in r818g and although that text had not been amended, the language had been improved and outdated terms removed during the resolution drafting.

M/51 Ms. Simoes then explained the structure of proposed r8xx and the content of the various sections and attachments. The idea was that Conference would be asked to adopt r8xx without Sections 5 or 14 relating to RHC, and next year reaffirm the entire resolution when those two sections were ready and Conference could look at the totality of the text.

M/52 Referring to the financial criteria for multi-country agents set out in Attachment 'E' to r8xx, and particularly article 1.3 stating that the agent must comply with all applicable local accreditation and legal requirements in countries where it maintained accredited locations, a member noted that that did not include Local Financial Criteria. There were about 40 BSPs worldwide that required 100% guarantees as part of the LFC. If it was the intention that multi-country agents would not have to submit a BG if they reached the required 70 points and had been Cash agents for more than two years, he asked what additional steps would be taken to mitigate the reduction in potential protection.

M/53 Ms. Simoes advised that there would be a change in how risk management was performed for multi-country agents, with a very different framework intended for very large agencies. In all, they were probably talking about ten agents and of those some felt that the proposed criteria were very challenging to meet. The idea was to look at the financial standing of the entire group, not a country-by-country focus like today where there was no visibility over the parent company. The parent company would undertake full financial responsibility for all its locations, so if one location defaulted, the entire group would default and all locations worldwide would be affected so there was an additional incentive for all locations worldwide to comply with the rules. There would also be a quarterly assessment to track how the parent was doing where the parent would have to provide to IATA their quarterly statements. IATA would also look at other areas which were not in scope today, for example the agent's operations, trends, and forecasted cash flows. So although there would not be a local guarantee, there would be a guarantee from the parent that they would be responsible for the entirety of the group and closer vigilance of the group as a whole to ensure that they were able to meet the requirements. If they did not they would be required to provide a security not for one specific location but for all their locations worldwide.

M/54 The member thought the issue was not so much the big agents coming into a small market but perhaps the reverse, where those agents would have an advantage in certain markets where other agents had to provide a 100% bank guarantee.

M/55 A carrier from the Chinese market advised that in mainland China they already had BOP and each agent provided a 100% guarantee. Although the Chinese carriers supported the introduction of New Gen ISS in other markets, they strongly recommended postponing NGI for mainland China.

M/56 The Chairman believed there would be a way to accommodate the Chinese carriers recognizing that they already had a system in place (BOP) for which there was a separate item on the agenda. He proposed putting China into Wave 4 for migration to NGI, i.e. at the end of the process of the introduction of NGI, and in the meantime BOP would be continued and expanded to cover weekend working. On that basis he would expect that the Chinese carriers could accept r8xx as their concerns would have been met. He would ask Conference to think about putting China into Wave 4, with BOP continuing, recognizing that in China EasyPay would be the BOP product and r8xx would not be introduced there until such time as it had been introduced everywhere else.

M/57 The carrier from the Chinese market confirmed that would be an acceptable way forward.

M/58 At this point, the Chairman thought that members deserved some explanation as to why r8xx needed to be adopted and what was going to happen to it before proceeding further. He did not intend to take a vote on the resolution at this stage because there were a number of other aspects that needed to be addressed before they got into formal voting.

M/59 It was highly unusual to have a resolution of this type placed before Conference for adoption. There were holes everywhere, the resolution was incomplete, and it was very messy. The intention was that the resolution would not go into the Travel Agent's Handbook (TAH) because it did not make any sense to do that at this stage. The reason it was before Conference for adoption was because IATA had to make a huge investment in resources, manpower and money terms to go down this path. Unless Conference was convinced that this was the way to go, IATA would not come forward with the money. In other words, IATA needed a strong commitment from Conference that this was the road to go down for the future. When Conference was called it was thought that the NGI programme would be further along than it actually was. For good or bad reason, that had not happened and was part of the reason why members were being asked to vote on an incomplete resolution. However, they had to vote on it to enable IATA to secure the required funding for the project. If this was agreed, it would be the No. 1 project in IATA.

M/60 Mr. Popovich confirmed that the budget for 2017 was in the process of being finalized. He had penciled in the money for the NGI project and it was supported by IATA's CFO and ready to go to the Director General for approval.

M/61 The Chairman continued that if r8xx was adopted, it would be published in the Passenger Agency Conference Resolutions Manual (PACRM) which was intended for airlines only. That was a necessity as EasyPay would be introduced earlier than r8xx. It had been agreed with the travel agent representatives that for ease of reference, everything relating to IATA EasyPay would be pulled out and put into a separate resolution which would be put into the Travel Agent's Handbook to ensure the agents were bound by the EasyPay rules. That would be undertaken as an administrative and editorial exercise. Before going into the rest of R1, the Chairman asked on a purely informal vote whether anyone had a problem with r8xx as presented?

M/62 Another Chinese carrier understood that NGI was a good opportunity for all airlines and agents and supported the proposal for all other markets except BSP China.

M/63 Mr. Rodriguez advised that he viewed China as being the pioneer for EasyPay and New Gen ISS as a whole. BOP had been in place in China for several years and was a pay-as-you-go product similar to EasyPay. Therefore China had set the trend for what EasyPay would be like when it was fully developed. He had been in China a few months ago when it had been agreed that BOP would become EP ready, so that BOP would be maintained and it would be the EP form of payment for pay-as-you-go.

M/64 When looking at the specific risk management process currently in place in China, he remarked that it was a similar concept to what would be implemented under NGI but much more restrictive. By putting China in Wave 4 countries for implementation, at that point the Chinese airlines could look to see how NGI was working in other countries and make an assessment whether it was the right thing for their market also.

M/65 The Chairman did not want to see China being an exemption in r8xx as that would send out the wrong message. The Secretary was asked to draft some wording to go into the resolution to accommodate the Chinese carriers' request and that would come back to Conference later in the meeting.

M/66 A carrier asked whether India could be considered earlier than Wave 3, given the level of defaults in the market.

M/67 The Chairman reconfirmed that the roadmap was for illustration purposes only at the moment. The trial countries would be finalized with the approval of PSG, and the roadmap

was not final or binding yet. The migration waves would also be developed in consultation with PSG.

M/68 Mr. Popovich added that for China, carriers should remember that the objective of New Gen ISS was to ensure the relevance of the system and safer funds. Whilst BOP had enabled that in China, and they wished to build on that in China, at the same time they needed the support of the Chinese carriers for the global programme, without which the global programme could not proceed. The Chinese airlines had impressive double digit growth in other markets so he hoped they would agree that it was in their best interests to have NGI globally to proceed. Some draft wording was being prepared for r8xx for their approval and it was important that they found the right wording that would give confidence to the whole of PAConf and gave assurance to the Chinese carriers.

M/69 The Chairman asked the Chinese carriers to meet with the IATA Secretariat during the break.

ITEM R3 – NEW GEN ISS GLOBAL INSURANCE SOLUTION

M/70 The Chairman reminded PAConf that the Global Default Insurance was part of the NGI package and he invited Mr. Guijarro to provide an update to Conference.

M/71 Mr. Guijarro advised that, following last year's Conference IATA had instructed two insurance brokers to perform an RFP to the insurance market for this particular product. The Global Insurance product would be an additional financial security type to be used by agents on a voluntary basis as with all other FS types.

M/72 Following the RFP, four companies had met the criteria to propose on the requirements of IATA and the industry. Three were internationally A rated, meaning they had safe proven capabilities to provide such a global insurance to underwrite risk globally and were willing to provide 100% cover, a clear requirement put forward last year.

M/73 The initial proposal was followed by extensive negotiation over several months and the company that met the requirements to a more significant extent was Euler Hermes, part of the Allianz group, the world leader in the credit insurance market with a 34% market share. Euler Hermes was the company that had come out of the process as best being able to provide the global insurance product and meet all the requirements put forward for this programme. The key terms and features of the proposal from Euler Hermes were set out in the agenda paper.

M/74 The Chairman then asked for comments or questions. A carrier noted that in the proposed solution of key items, sub-paragraph 2.1.2(d) stated that defaults above US\$ 5,000 would be settled in full but the proposed definition in r866 stated that a maximum coverage amount would be specified for each agent. Mr. Guijarro explained that claims would be indemnified from the first dollar if the default was above US\$ 5,000. Defaults under that amount would not be indemnified by the insurer. For reference, defaults below US\$ 5,000 represented 0.2% of defaults worldwide so this would bring efficiency as cost savings were gained by having that threshold.

M/75 On an informal vote on Attachment 'A' to R3, the Chairman ascertained that there were no objections to adopting the resolution amendments proposed. He also noted that there was a change to the required effectiveness date for 1 March 2017. Mr. Guijarro confirmed that there was no objection to the Global Insurance being introduced in countries subject to the approval of PSG. The Chairman advised that the formal vote would be taken on that basis.

ITEM R3.1 – NEW GEN ISS – IATA EASYPAY

M/76 Mr. Stucker provided an update on EasyPay, recalling that PAConf last year had endorsed the principle and framework for EP. Since then the Project Team had been working with some early adopter airlines to develop an airline implementation guide to address all the elements of readiness from an airline perspective. In respect of GDS readiness, IATA was working with the GDSs to get them to implement EP as a form of payment and that work was still continuing. IATA was also looking at its own system's readiness and the necessary investment to have EP ready operationally.

M/77 The team had been working with the Payment Methods Working Group (PMWG) to define the selection criteria for selecting the eWallet suppliers that would be developing the solutions for EP. As a result of an RFP exercise, 30 suppliers had been considered, of which 13 had been invited to bid and after a consultative process, IATA had selected three vendors that would be developing the EP solution.

M/78 Having now selected the three vendors, Mr. Stucker was able to update PAConf on the cost. The system would be purchased by IATA and charged back to member airlines on a cost recovery basis. Last year, the global average costs for EP were estimated to be between 0.70 to 0.95 USD per transaction. Now, after negotiations with the three suppliers, the cost would be 48c per transaction (representing a global average) plus a 5c cost for maintenance of the system, bringing the total cost to 53c per transaction. That was extremely low when compared to the cost of VANS or other eWallet products at \$10-12.

M/79 IATA was now entering into the contracting phase with the three vendors, which would be finalized by the end of the year ready to start the launch of EasyPay.

M/80 Mr. Popovich recalled the debate earlier about other forms of payment and WTAAA welcoming EP as an option. He wanted to reiterate that EP was an option built not as a commercial product but on a cost recovery basis which would apply pressure for efficiency on any alternative forms of payment. He thought that the price of 53c compared with \$10-12 for other products was a great catalyst in the industry for other FOPs where the airlines could choose what they wanted to do.

M/81 Answering questions, Mr. Stucker confirmed that a 'transaction' meant per ticket, not per segment. Carriers would also choose to adopt EP or not by market.

M/82 The Chairman thought that the price for EP was quite remarkable and thanked Mr. Stucker for the update.

ITEM R2 – NEW GEN ISS – TIE-IN/TRANSITION RESOLUTION

M/83 Turning to the proposed Tie-In resolution for New Gen ISS, the Chairman commented that normally this would not be of particular concern, however members would notice that in the Tie-In resolution there were a whole load of conditions to be applied before r8xx got adopted and carriers needed to be sure they were satisfied with those conditions.

M/84 Ms. Simoes then went through the paper. The Tie-In resolution had been drafted so that when a country migrated to NGI in that market, r818g would cease to apply and the new r8xx would be applicable. The Tie-In resolution set out the conditions for how and when such migrations might take place in a specific country. As members would recall, there were some mandatory requirements in order for NGI to go live in a market which had to be taken into consideration. This Tie-In resolution set out those conditions in terms of IATA, carrier and GDS readiness. Readiness of the carriers and TSPs participating in the BSP must represent

a minimum of 65% of volumes before a market could go live. It was considered that two-thirds of the market would set a sufficient threshold but she welcomed any feedback on that.

M/85 Obviously IATA's internal systems and processes needed to be ready to accommodate NGI before going live, specifically the DPCs would need to be able to manage all the changes. Readiness of IEP was critical in order to introduce the new accreditation models and more specifically the RHC to give agents an option to continue selling once they hit their capacity. Therefore EP would need to be set up and live in a market before any migration took place. IATA would also look at any local or regulatory requirements to ensure that the programme was fully compliant.

M/86 The Tie-In resolution also set out what would happen in terms of notifications to the market and that the BSP Manual and Local Chapter 14 would be ready for the market before going live in any specific country.

M/87 As there could be situations where some conditions could not be met, there was also a stipulation that in those cases the Agency Administrator, in consultation with the PSG, would be able to determine a date for those countries to migrate to r8xx.

M/88 Opening up for comments, a member asked whether it would be possible to extend the notification date prior to implementation (R2, Attachment 'A'. page 1 of 2, item 3 first bullet point) from 90 to 120 days. Ms. Simoes advised that that would extend the notification period and could potentially extend the waves slightly longer but in principle did not have an issue with making the change. The Chairman asked for the amendment to be made as the more advance notice that could be given, the better.

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M/89 Another member asked, if EP had to be in place before NGI could be rolled out in a certain country but each airline could choose whether or not to accept EP as a form of payment, what if a major carrier in a certain market was determined not to have EP in that market, how would EP be enabled in that market?

M/90 Ms. Simoes responded that there might be carriers that opted out of accepting EP in markets where they were the dominant carrier and in such cases IATA recommended that each carrier should take a look at that with their legal people before going in that direction. However, if they did choose that direction, that would be covered under the resolution and IATA would need to refer back to PSG to see what action should be taken, but it was likely that in such a situation the country would be put in the last wave to be migrated.

M/91 A member asked why readiness among the GDSs had been set at 65%, as he would have thought that 100% would be required. Ms. Simoes explained that the threshold had been set at 65% in the event that not all the GDSs in a market would be ready, for example where some ticketing providers that represented small percentages of volumes in that specific BSP were not ready and that could hold up the whole programme in that country. 100% could also potentially be used by a GDS not wishing to do the developments holding up the entire market.

M/92 On a purely informal vote, the Chairman asked if anyone had any problem with adopting Attachment A to R2 labelled as new resolution 846 and no objections were raised.

M/93 The Chairman then explained that after lunch he planned to have a discussion on RHC. Even if PAConf was not voting on that to finality at this Conference, he would still like an understanding on whether members agreed that that was the right direction to go in,

recognizing that there was a Working Group that was under pressure to come up with a solution by 31 March next year.

ITEM R1 – NEW GEN ISS RESOLUTION 8XX

M/94 After lunch on the first day, the Chairman returned to item R1. He wanted to talk about risk management and the Remittance Holding Capacity before asking Ms. Simoes to explain R1 as drafted and then he would turn to the Chairman of the RHC WG, in order for Conference to understand how this all had come about.

M/95 Today, under the current rules, once an agent qualified for accreditation under the LFC the agent was free to have unlimited sales over which there was no control and the result had been a number of defaults, the largest of which being AFT, Terminal A and others. The PSG working with IATA had decided in developing NGI that it was time to look at introducing credit limits which limited the level at which an agent could make sales before being reviewed. The term 'credit limit management' had caused some problems from a legal perspective and had subsequently been changed to Remittance Holding Capacity, or RHC. In his opinion, RHC was the golden nugget in the NGI programme and something that would benefit the airlines greatly in helping to considerably reduce their losses. He then invited Ms. Simoes to take members through the sections that would not be voted on at this Conference.

M/96 Ms. Simoes advised that Section 5, Attachment 'B' of Item R1 contained the overall risk management framework and general rules regarding RHC. It set out how IATA would do risk management for all accreditation models and how to determine risk status, the risk management conditions for non-cash agents as well as the calculation of the RHC and how exceptions would be managed. The text had been drafted on the principles agreed last year as well as the outcomes of the first airline only RHC Task Force that had reviewed different calculations for the RHC formula and had decided to go forward with the one covering the 3 highest reporting periods of an agent plus 15%.

M/97 Ms. Simoes explained that the initial proposal last year for the RHC calculation had been the 3 highest months of sales of the agent. It was considered that would be too low and many agents would be hitting that on a regular basis. Therefore the proposed calculation contained in this resolution text was based on the 3 highest reporting periods because that was more reflective of specific market conditions, and also better accounted for an agent's own seasonality and sales fluctuations, plus a buffer of + 15% to accommodate growth. As stated earlier, once an agent reached their capacity they could still continue selling and were not restricted from issuing tickets, but could just not use Cash as the form of payment. The agent could use either EP or the passenger's credit card as permitted under r890 to pay for tickets, or they would be able to make advance remittance, or they could request a short term exception (4x) to temporarily raise their capacity or longer term they could raise their capacity by providing an additional financial security. Those were the general principles captured in the text. It was still felt that too many agents would hit their capacity once a year even with the new calculation and desk top trials were being conducted with the RHC WG to see what would be the number of agents affected using the new calculation.

M/98 The Chairman explained that prior to the PAPGJC meeting in YMQ in June, RHC had been an integral part of the package to be voted on at this Conference. It was quite a momentous decision in coming to an agreement with the agents then that there had been an agreement to take this out of the resolution subject to hearing what the RHC Working Group could come up with. He then turned to Mrs. George, chairman of the RHC Working Group, and asked how things were progressing.

M/99 Mrs. George advised that members would see from the minutes of the June PAPGJC meeting that a Working Group had been established with immediate effect and that group

would review the results of the desk top trial, which it had already started to do, based on 2-3 years data. The first meeting of the working group had been held for half a day in MAD in late July and at that meeting she had endeavoured as chairman to have both sides of the table understand that nobody wanted to restrict safe sales. Everybody wanted agents to be able to sell as conveniently and as safely as possible. The first results coming out of the desk top trial came up with percentages of agents being affected that were much too high and further work was continuing.

M/100 Mr. Rodriguez added that so far, two meetings of the group had taken place. Discussions were positive and there was a good spirit amongst the group to tackle the job they had been tasked with, namely to figure out what was the right formula and process to manage RHC. Discussion would continue with the airlines and the agents in the WG to ensure they reached an agreement that everybody could compromise on in the coming months. The Agents Associations had a strong view that real time monitoring would be a good substitute for RHC. He believed that real time monitoring was a good enabler for RHC, to set a specific level when action had to be taken.

M/101 The Working Group had until 31 March 2017 to come up with a compromise solution. Additional meetings were already scheduled for October and December and he hoped they would advance quickly. It would be difficult to compromise on any number, no matter what that number was. However with the positive dynamics built up in the group, hopefully they would arrive at a solution by March otherwise the original formula would potentially go forward to Conference subject to PSG agreement.

M/102 Mr. Popovich reported that the team had gone through a lot of data. As well as the average number of agents affected and percentage of sales affected, they would also need to look at the spread of the number as it hit different markets. He wanted Conference to know that IATA was very aware of this issue and would be looking at it very carefully. He believed that the key to this was in the selling process, for example real live business examples using the selling process and the application of RHC and demonstrated how special events would be managed. There was no magic formula but it was all about the process where the formula would be applied and how that process would be managed. In his view, that would be the best way of coming to a compromise with the agent community.

M/103 Asked how a 24/7 service would work on an operational basis, Mr. Rodriguez advised that IATA had already identified the need for a 24/7 operation in IATA to respond to travel agent requests, to deal with exception requests and any other issues of an operational nature. This would have an operational impact for IATA, but there was a very clear requirement to have 24/7 coverage to provide the customer service that the NGI programme required and IATA was already putting plans in place to ensure this would happen.

M/104 Another member asked how IATA would deal with a problem, for example late on a Friday evening or over a weekend when banks were closed and it was impossible for an agent to make additional funds available. Mr. Rodriguez thought it was important to review what they were trying to implement. If they got to that point and that was the first news the agent had received from IATA, then clearly there was something wrong. Here, the ongoing information about the agent's consumption was key. The agents would have received several notifications about reaching their capacity from IATA before this, not only through the Customer Portal but also through mobile applications, so the agent would have all the necessary information to ensure that did not happen. However, despite best efforts, they also needed to think about what if it did happen? Here, IATA would be putting together an exception request that could be easily approved at hub level (up to 20% of the amount four times a year) and to equip the hubs to manage those types of situations on the fly and without intervention of the banks.

M/105 Mr. Popovich added that they were not talking about robots operating the formula indiscriminately. Today IATA managed the programme on the airlines' behalf and when situations happened, used judgement and common sense. With NGI, they were talking about something that did not exist today. That was why a customer selling process based on open communication between the agent and IATA, of which RHC was a part, was what IATA would be testing and actually be demonstrating in a live environment with the pilots.

M/106 The Chairman advised that the entire package would come back for reaffirmation by PAConf next year and would then include the RHC rules. The Working Group had until 31 March 2017 to come up with a proposal to be put before Conference in respect of RHC, if they did not, then unless changed by PSG it was planned that the text shown at Attachment 'B' would be placed before Conference for approval. Against that background, the Chairman would take a non-binding vote to see if there was anybody that had problems with R1 Attachment 'B', in other words, were they going down the right path, was this something the airlines would like to see put in the resolution, and had they got the process right on how to go about it. On a non-binding vote, he asked if anyone would vote against R1 Attachment 'B' if it were before the Conference today?

M/107 A member thought this was still work in progress. It did need to be looked at in more detail and it was not ready yet to be voted on. It should go to Conference next year once they knew what came out of the Working Group next March. He was still uncertain as to how many agents would be caught with the RHC formula today. Someone had said 2%, but that was all sales. He did not know how many Head Offices that would mean in practice. He was also unsure about the procedure for having the RHC limit increased and having an exception limit on four occasions. That particular part of the resolution would need to be amended so that agents were given other options say on the 2nd and 3rd occasion. There was still a lot to be done and they were not there yet and he would be uncomfortable if this were to be voted on to finality now.

M/108 The Chairman agreed that it was not in anyone's interest if over 20% of agents were caught by the formula. That would involve a lot of work for IATA and a lot of work and cost for the agents, and may well affect the agents' ability to sell, so they would not be going down that path if one-fifth of agents fell into that category.

M/109 Mr. Popovich reminded everyone that the 2% of sales or 20%+ of agents currently resulting from application of the new formula was without any intervention or dialogue between the agent and IATA leading up to that final point. He did not believe that would happen with a safer selling process and reinforced exactly why they had taken that out now. It might be worth asking whether they were on the right track.

M/110 The Chairman thought that had been answered as only one carrier had objected, on the basis of the wording contained in the document realizing that there was a lot more work to be done between now and 31 March. Hopefully then it would be possible to come up with something acceptable to both the airlines and the agents that could be presented to Conference in resolution format.

M/111 Whilst not objecting to the proposed wording, another carrier was worried about the 31 March deadline. If they were not getting anywhere by 31 March and had to revert to r8xx with the current formula they had today, he would want to see very solid plans that would give him confidence that IATA would be able to handle the formula as currently stated. If that was not the case, then he would feel very uncomfortable and in that case might side with the position taken by the previous member. There needed to be a lot of work done so that there was confidence when it came for reaffirmation that IATA could deliver on the promises and the formula.

M/112 Another member supported these comments. If it was not possible to reach agreement with the agents on RHC, certain parts of the current version would have to be looked at and it would take some time to evaluate if the current formula was still a good way forward and it was likely that some further changes would be needed.

M/113 Taking these concerns into consideration, the Chairman advised that he planned to have a strong Conference Minute recorded, subject to the agreement of Conference, as follows:

CONFERENCE MINUTE

'If the Remittance Holding Capacity Working Group does not come up with a proposal to be put before Conference before Attachment 'B' of R1 is submitted to the Conference for voting on, there would be a thorough review of the formula, the process and the way that it would work based on the data that had been provided by IATA over the previous two years to be reviewed by the Steering Group before anything was sent to Conference.'

M/114 Conference fully concurred with that approach.

M/115 Referring to comments made earlier in relation to multi-country agents, and Section 5.4.4 of Attachment 'B' where it talked about the financial assessment of an agent holding m/c accreditation, a member thought it would be prudent given that those agents would not hold a bank guarantee in those markets where agents were required to provide 100% BGs under the LFC, that an additional clause was included to cover extraordinary events such as devaluation of currencies that could trigger a financial assessment of an agent holding m/c accreditation.

M/116 The Chairman asked for a show of hands for support for putting this into the resolution and the principle of applying the RHC, given all the work that was going on with RHC and on the assumption that this was what the carriers wanted to do. A majority of carriers expressed their support.

M/117 A member raised a question about EasyPay and the statement earlier that if a carrier was not ready to accept EP, IATA would find a work around solution that would put that transaction through as a Cash sale. When that happened, the cost of the transaction would still take place and he wanted to know who would be paying for that transaction?

M/118 Mr. Stucker advised that when a carrier was not technically ready to accept EP because they still need to adapt their revenue accounting system, in those cases IATA would do a conversion for a certain period of time to what looked like a Cash sale to give the carriers willing to use EP time to do the technical conversion. The cost of converting the EP transaction into Cash sales would be part of the IATA cost and not transferred to the airlines. This would be only for a certain period of time, probably for the maximum length of the programme unless PSG thought otherwise.

M/119 The member stated that in that case the airlines would be paying. He wanted to ensure that PSG would be able to address this and come up with a recommendation otherwise there would be no incentive for a non-adopter to actually move to adopting EP and the rest of the industry would pick up the cost

M/120 Mr. Popovich agreed that early adopters should not be penalized. They should encourage early adoption and remove any potential barriers. He understood the message very clearly and this would be an issue that would be addressed at PSG. He clarified also that

IATA did subsidize arrangements like this from time to time on an exception basis without subsidies from the airlines.

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M/121 Turning to item R1 Attachment 'C', Ms. Simoes explained that as referred to in the background paper, this contained a summary of the New Gen ISS concepts agreed at PAConf last year for ease of reference.

R4 – ECTAA/WTAAA/ETTSA PROPOSALS ON NEWGEN ISS

M/122 The Chairman advised that R4 contained a number of proposals from WTAAA/ECTAA in relation to New Gen ISS which were received before the agreement had been reached in YMQ and GVA, and a number of the proposals had been referred to the two Working Groups set up in YMQ. Other aspects would need to be dealt with here.

M/123 As they had heard from the Agents in the Open Session, one of those aspects was the automation of the accreditation process and that was something that IATA was working very hard on to remove paper from the process. The agents were also looking for a more streamlined Agency Agreement and he asked Mr. Lugo whether there was any way that the current documentation associated with Agency Agreement could be reduced. Mr. Lugo advised that that could not be done to the extent suggested by the agent representatives. There were essential and valid provisions in the resolutions, the Agency Agreement and the Travel Agent's Handbook that protected the agents, airlines and IATA.

M/124 As most of the recommendations in the paper had been referred to the Working Groups, the Chairman turned to the further recommendations contained on page 6/6 of the paper. The first asked for PAConf to defer adoption of the NGI proposals however that was rejected because Conference would be voting today on r8xx except RHC sections.

M/125 The second and third proposals requested using consultants to look at the Agency Programme and come up with a replacement for New Gen ISS, which would mean deferring the entire programme and delaying implementation, resources and money which would mean the end of any changes at all to the Agency Programme. As there was no support to these proposals, they were considered defeated.

VOTING ON ITEMS R1, R2, and R3

Item R1 – Resolution 8xx

M/126 The Chairman advised that, apart from R29 relating to Tunisia and subject to the China wording going into r8xx, that concluded the NGI proposals. He was delaying the formal vote until TU had had time to review some wording that would address their concerns, meaning that Tunisia would go into the final wave and be subject to all sorts of reviews before NGI was ever launched in that market. If they could get TU's agreement on that, there would be a Conference Minute and their paper would be withdrawn.

M/127 The Chairman then asked if any carrier had any concerns at all about New Gen ISS, now was the time to raise them. No further issues were raised and the Chairman therefore advised that they would take a vote on the NGI items later that day.

M/128 Later in the afternoon, Mr. Rodriguez advised that he was still waiting for TU's response in writing to the proposed wording that would go into the record as a Conference Minute. The Chairman advised that he would therefore take some formal votes on the basis

that an understanding had been reached for Tunisia and with TU in particular. He was led to believe that this would happen and therefore could see no reason why they could not proceed at this time. There was no objection to proceeding on this basis.

M/129 The Chairman then presented on screen the proposed text to be inserted in r8xx for China, which had been approved by the Chinese carriers. There would also be a Conference Minute in relation to Tunisia stating the following:

“Conference noted the concerns of the Tunisian Travel Agents’ Association and the National Carrier about the introduction of New Gen ISS in that country at this time. After consultation with the national Travel Agents’ Association, the national carrier and the CAA, IATA has reached an understanding that New Gen ISS would not be implemented in that market until 2019 (by placing Tunisia in Wave 4 countries to be migrated). There will be a checkpoint with the national carrier and the Travel Agents Association in late 2018 to ascertain the country’s readiness for implementation or whether an operational exceptional delay will be necessary due to the specific circumstances in Tunisia. “

That meant that Tunisia would be one of the last countries to be converted to NGI and before doing so further discussions in the market would take place to make sure that the conditions were right, recognizing that the Tunisian tourism industry had been totally decimated as a result of events last year. There was no opposition from Conference to the proposal wording.

M/130 The Chairman then took a formal vote on agenda item R1 Attachment ‘A’ pages 1-69, recognizing there was an onsite amendment to p69 dated 13 September 2016. PAConf unanimously adopted the proposal for effectiveness 1 January 2018, subject to reaffirmation at PAConf in 2017, and apart from the sections covering IATA EasyPay, 6.15 to 6.18, which will be effective 1 January, 2017.

Item R2 – Tie-In Resolution

M/131 The Chairman took a formal vote on item R2, asking members to recognize that this was a transition and that there would be further discussion based on the criteria that was there before New Gen ISS was introduced in a particular country. PAConf unanimously adopted Item R2, Attachment ‘A’ pages 1 and 2 for effectiveness 1 November 2017.

Item R3 – Global Insurance

M/132 The Chairman took a formal vote on Item R3, revision 2 of Attachment ‘A’, on the understanding this would be effective 1 March 2017 and on the understanding that the minutes would reflect that countries would be introduced ahead of r8xx only with the approval of PSG. Conference unanimously adopted the proposal.

M/133 The Chairman stated that that now concluded all the resolutions necessary to enable IATA to proceed with introducing New Gen ISS on a global basis. He congratulated IATA on this achievement and thought they should be pleased that Conference had acted in the way that it had.

M/134 Mr. Popovich thanked Conference for their commitment to a mandate to move forward. He also thanked the Chairman for his masterful handling of all the New Gen ISS items. As he had committed, NGI would now become IATA’s No. 1 priority investment project for 2017 so he thanked the members around the table.

M/135 The Chairman advised that some time between now and the end of the year a Mail Vote would be circulated relating to EP because they would need to ensure there was

something in the TAH when the trials relating to EP were introduced that the agents were bound by. It would be an editorial Mail Vote and he asked carriers not to raise any issues with it as it had been agreed to by Conference. Again, he expressed his congratulations to everyone for what they had achieved today with New Gen ISS.

Action:	NGI Team
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M/136 On the last day of Conference, the Chairman reported that despite efforts over the last few days it had not been possible to get TU to agree to a Conference Minute in respect of Tunisia. Instead, the carrier had insisted that new wording be added to r8xx to accommodate TU's concerns. The full discussion and new wording can be found under Item R29 of these Minutes. This situation caused a revised vote to be taken on R1, Attachment 'A' incorporating the new wording for Tunisia, which resulted in 8 members abstaining, solely on the basis of the new wording.

TRAVEL AGENTS' POSITION ON NEW GEN ISS

M/137 At the start of the second day of Conference, the Chairman reported that he and the PAPGJC Chairman had met with the agent representatives the previous evening to convey to them the results of New Gen ISS. He thought it would be worthwhile sharing with members some of the conversation as the travel agents had been a lot more positive about NGI than he had thought.

M/138 The WTAAA agents in particular had been pleased that they were going forward with NGI. They were particularly pleased with the airline participation and the questions that were asked after their presentation during the Open Session. On many occasions the travel agents had come to Conference and made a presentation only to be met with stony silence. Mr. De Blust in particular had presented on two previous occasions and there had not been a single question. He had been particularly pleased about the quality of the questions and that 2-3 were actually addressed to the ECTAA position. He thought it was very good and an excellent way forward. The Chairman thanked members for having raised questions.

M/139 The agent representatives were looking forward to receiving the overarching information on the Global Insurance and EasyPay RFPs, taking out any sensitive information. Their rationale for wanting to look at the documents was to make sure it was a level playing field for the outside providers and that the documents had been written in such a way as not to favour either IATA or the airlines but that other providers had an opportunity to bid and be in the market, particularly for default insurance.

M/140 The agents had been pleased to see the roadmap presented by Mr. Popovich but wanted to see more at the next level and have an activated workplan showing what would happen when and who it would affect.

M/141 In terms of their priorities on NGI, again the agents were very positive. Both ECTAA and WTAAA said that as far as they were concerned their top priority was to get standards established for e-payments, including EP but not exclusively for EP. They would like to see IATA setting the standards and evaluating the providers so there were standards there for the industry for potential suppliers that could provide epayment solutions to the carriers and to the agents going forward. Again, he thought that was a very positive message.

M/142 A second priority worth exploring more deeply and probably also the same on the airline side, was that they would like to know what real time reporting really meant. What will it mean to RHC, for example if they would get real time reporting on an hourly basis instead of every 6 or 24 hours, then clearly the monetary risk to the airlines must be reduced. If it

could be shown that real time reporting could be received on an hourly basis, then he believed that the agents would adjust their position relating to RHC, because it would now be on a much reduced level of risk, and might almost support it.

M/143 A third priority and an offer of help, which he hoped IATA would welcome, was to work with IATA to produce the new BSP Manual for agents. They were willing to sit down straight away and nominate people that would enable the document to be produced by the end of the second quarter of next year, should IATA take up their offer, to ensure it was delivered on time in line with expectations.

M/144 Mrs. George felt that was an accurate summary of the main points covered, and she had especially valued their support for the standards in payment systems in the name of IATA in view that there were other parties looking at rival standards and it was extremely important to have their support on this. She was really pleased to see how they had reacted to the questions from the floor and also thanked the PAPGJC airline delegates for their input and participation.

M/145 The Chairman summed up by saying that it had been an enjoyable evening with the agents, who had been quite relaxed and more positive than he expected. He thought Conference should be aware of that. All in all, it had been a good first day and there were positive signs that the agents were not so negative or opposed to what they were trying to achieve, particularly in regard to RHC. Although he did not want to build up any false hope, and there was a lot to be done in the Working Groups, he was optimistic that there was a way forward.

ITEM R5 – AIRLINE NEGATIVE SETTLEMENT TOLERANCE

M/146 Mr. Rodriguez reported that Resolution 850 established that in order for an airline to maintain its participation in the BSP, it must pay any amount due to the BSP by the remittance date or be suspended from the system. In the majority of cases, the outstanding amounts were small and were recovered within a few days after the remittance date when the airline was contacted by IATA. During the first five months of this year, there were over 5,000 cases of airline negative settlements but in only 11% of those cases were the amounts outstanding over USD 5,000. In order to reduce the number of potential BSP Airline suspensions due to negative settlements, this item paper proposed introducing a threshold of USD 5,000 with a collection process that would take place instead of immediate suspension, as set out in the agenda paper.

M/147 A member asked whether it would be possible to introduce this earlier than 1 June 2017, and the Chairman took a formal vote on the proposed policy for effectiveness 1 January 2017. PAConf unanimously adopted the proposal.

ITEM R6 – TREATMENT OF POST BILLING DISPUTES

ITEM R6.1 – TREATMENT OF POST BILLING DISPUTES – COMMENTS FROM ECTAA/WTAAA

M/148 Mr. Gilmartin introduced these papers, explaining that item R6.1 was a submission from ECTAA/WTAAA with their comments on R6 relating to post billing disputes. Conference would recall that this had been a very contentious matter in the past, particularly at PAConf last year where there had been a number of carrier submissions on this topic, leading to a working paper being developed on site by the PSG itself.

M/149 Item 6.1 set out the agents' objections with regard to the agenda item. What the agents had picked up on in particular was that the proposal undermined somehow the agents' current right of appeal to the TAC when in reality there was no right of appeal to the Commissioner

for ADM matters under r820e and that was highlighted on the Commissioners' own website. Therefore the key objective raised in the paper was out of order. On that basis, their proposal was not valid and he did not think Conference would want to go in the direction of changing the rights of appeal under r820e.

M/150 The Chairman asked Mr. Gilmartin to explain item R6 which was a paper put forward by PSG, pointing out that UFTAA were also opposed. He intended to take one vote on both items, and that would be on the paper under R6.

M/151 Mr. Gilmartin explained that R6 was a follow on from the previous discussion last year where there had been several carrier submissions in relation to post billing disputes, with many carriers expressing concern about the functionality in BSPlink in particular facilitating the ease with which agents could submit a post billing dispute and concerns that this was being abused and therefore a solution needed to be found. The paper listed the principles (1-6) agreed by Conference last year and set out a proposed solution based on those principles, highlighting some modifications and additional considerations that had been taken into account.

M/152 A major change with the proposed solution was that the disputed amount would be held in escrow whereas today agents had the right to deduct the amount from their billing. That would no longer be the case, and the agents would be obliged to pay over the monies in dispute and if the dispute was not resolved within 30 days, the money would go back to the agent and the matter would be resolved between the agent and the airline. There would be a mechanism to record a clear agreement between the airline and the agent and a limit to the number of iterations that went back and forth. A final point and one that was very important particularly for the agents, was that if the nature of the dispute concerned a typing error, where for example an extra zero had been inserted into an ADM in error, the agent should be able not to pay over that money. That would allow IATA discretion to review such cases on a common sense basis through the intervention and authority of the Agency Administrator. With all those points in mind, the proposed resolution changes were detailed in Attachment 'A' of Revision 2 to the paper dated 13 September 2016.

M/153 The Chairman confirmed that this had been a very contentious issue last year, and Conference had agreed to move forward based on the principles outline in the agenda paper. He called for any questions or comments.

M/154 A member raised several questions: firstly, why were agents allowed to dispute an ADM within 12 months of the ticket issue date, which he believed was too long? Secondly, what was the daily dispute file referred to in the paper? And thirdly, how would airlines know when a post billing dispute was raised?

M/155 Mr. Gilmartin responded that 12 months had been the output from the deliberations last year and the PSG working paper developed at that time. The daily dispute file was a process that was part of the daily interaction with the DPC operations, so if an item was disputed there was a process to identify that dispute to the airline. That was the technical process whereby a dispute would come to light and be notified to the airline. A member added that when discussing this issue at PSG, the problem was that the airlines did not have visibility over these types of dispute and therefore it had been agreed to create this file which would be made available to the airlines via BSPlink.

M/156 A Chinese carrier reminded Conference that in China BSPlink was ASD and therefore that should be included in the proposal. Mr. Rodriguez thanked the member for raising this and advise he would take it back to the operational teams to ensure it was included.

M/157 A member thought it would be helpful to have some background as to how post billing disputes had been passed in resolution to begin with. Whilst not having an issue with what was being proposed, the member saw this only as a deterrent to agents abusing the system but not something that would actually resolve the issue. The carrier had also heard that an airline could choose to publish its ADM policy to the travel agent community and if so would it be possible for an airline to choose not to participate in post billing disputes or did they have no choice other than to follow the resolution.

M/158 The Chairman confirmed that carrier had to publish their ADM policies and make these available to travel agents. It was a requirement in resolution and travel agents were constantly complaining that not all airlines did so.

M/159 Mr. Gilmartin explained that there was a very long history associated with post billing disputes and the provisions of the resolution that enabled PBDs to arise were actually set out in the paper because the proposal was to modify the existing provisions. Basically the fundamental premise was that an agent had the right to dispute as a fundamental function of their participation as an Accredited Agent under the Agency Programme, and that right of dispute applied not only to ADMs but to tickets as well. The fundamental premise was that any billing or invoice between parties was open to dispute particularly in the case of ADMs, when there could be debate about what was the nature of the ADM and whether it was justified and valid. Unfortunately sometimes mistakes did happen and even abuses happened where ADMs were levied for reasons that were not valid. Therefore it was essential in terms of maintaining IATA's good standing with the regulators and competition authorities that the right of agents to dispute was upheld and maintained in order to address those unfortunate occurrences when in particular an ADM should not have been raised. That was his understanding of where they were and why they had to remain in terms of the agents' ability to dispute.

M/160 There was no right to opt out of dispute, and all airlines participating in the BSP whether IATA members or not were obliged to comply with the provisions of the resolutions as they were binding on all parties. He would be reporting later on progress being made by the ADM Working Group which was tackling the root cause of contentious issues that gave rise to ADMs on a much more positive note than this and he hoped that would provide them with a much more positive way forward in the future. For now, this was the best solution they had been able to come up through the input of all of the parties that had been concerned about this matter.

M/161 Mr. Rodriguez thanked Mr. Gilmartin for the background information. It was also important to recognize that when this was being put together, they had all agreed it would deter but not eliminate abuse and were all clear that it was not a bulletproof procedure but was better than what was in place today, so a move in the right direction. There were other means by which abuse could be identified at an airline level, and in those cases the IATA regional teams would be happy to investigate.

M/162 As background, another member advised that there were two specific issues from last year. The first was that the post billing dispute was taken out of the settlement file to the carriers so it did not appear on the file and the file did not reconcile with the carriers' revenue accounting. The second was that the post billing dispute PBD transactions were not put on the dispute file so an airline could never reconcile. Both those issues were addressed with this proposal. Whilst he did not think it was 100% perfect, because that was probably not achievable, it was much better than 80% and therefore he thought Conference should vote to adopt it.

M/163 Another member questioned the timeline in paragraph 1.10.1(d) stating that disputes must be raised by the agent within 12 months of the ticket issuance date. He asked whether this could be reduced to 10 months as his understanding was that the GDSs only retained fares for a maximum of 12 months and if the timeline was not reduced the airlines would have a problem because the airlines would not be able to retrieve the fare in the GDS. The member also raised a concern with paragraph 1.10.5.7(c) saying that if the airlines did not respond the amount would be paid back to the agent but he did not see a similar clause that if an agent did not respond the amount would be paid to the airline.

M/164 Mr. Rodriguez confirmed that if there was no agreement, the money would go back to the agent and if an agreement was reached, it could go to either party.

M/165 During discussion, another carrier also requested adjustment of the timeframe for an agent to dispute, again for the reason that historical information of the fares would not be available in the system for the airlines to follow up on the query.

M/166 The Chairman reiterated that this had been a long contentious issue. The Steering Group had worked prudently to come forward with something that was a lot better than what they had today. As he was reluctant to make any changes to the paper on the fly, he took a vote on the paper as presented. One member recorded their opposition due to the timeline.

M/167 The Chairman asked whether, if he gave an undertaking that PSG would look at the timelines and bring back to Conference next year if they felt further changes were necessary, that would remove their negative position. The member advised she would be advised by the end of the day. Several carriers noted the hard work that had gone into this document and believed it was something that should be adopted as it was an improvement that would benefit everyone. The Chairman urged the member to think very carefully about their decision before voting this down.

M/168 Later in the meeting, Mr. Gilmartin advised that he had been involved in discussing this issue with the negative carrier. He thought there was an issue regarding the 12 month period because it would appear that there was a conflict between the 12 months and another provision which stated that the agent must file their post billing disputes before the remittance date, which seemed slightly odd in terms of how those two things sat together. Taking the spirit that they were better off with this proposal than where they were today, he believed that the member would withdraw their objection on the basis that this needed to be looked at with PSG. There would be time between now and the proposed implementation date of 1 April next year to look at that and perhaps make an adjustment through a mail vote once PSG had had a chance to look at it.

M/169 On a revised vote on revision 2 to R6 Attachment A pages 1-2, Conference endorsed the proposal on the understanding it would be sent back to PSG and reviewed with the expectation there will be further changes made to the text before it is implemented.

Action: Secretary/PSG

ITEM R7 – EXTENSION OF BSP CHINA RISK MANAGEMENT METHOD

M/170 A member from the Chinese market reported that since implementation of the BSP China Risk Management Method last December, it had achieved a very good performance. The LCAG China proposed that it be extended to weekend and holidays with the same monitoring standards as weekdays and that the BSP China Risk Management Method be

extended to a long-term process until a similar procedure with better monitoring frequency and action speed was proven.

M/171 The Chairman drew attention to the proposed changes to Resolution 818g as shown in Attachment 'A' to the agenda paper. In line with what the Chinese carriers had agreed in respect to NewGen ISS under item R1, the Chairman suggested that the proposed wording for paragraph 1.1.9 of r818g, Attachment A, should be amended to read that 'the effectiveness of Sections 1.1.5 through 1.1.8 of this resolution shall be reviewed by Conference at its meeting in 2018'.

M/172 With this amendment, PAConf unanimously endorsed the proposal for implementation 1 January 2017.

ITEM R8 – COMPOSITION OF PAPGJC AND PSG

M/173 Mrs. George reported that the PAPGJC was a very popular forum with the agents, to such an extent that the agents had asked to increase their representation by two additional members, one each from WTAAA and ECTAA. Subsequently UFTAA had also asked for an additional seat. If there were more agent representatives, then there needed to be a corresponding increase on the airline side, therefore this paper proposed an increase in the airline/agent membership of PAPGJC to 12/12.

M/174 The PAConf Chairman advised if there was agreement to do that, there should also be an increase in the size of the PSG. PSG was a large group but it did act for Conference during the year. Item R8 Attachment A proposed to increase the numbers on the Council to 24, and because of that he felt there should be an increase in the size of PSG to correctly reflect that. There was also a proposed change to allow Conference Working Group chairmen to be coopted onto PSG. These changes were being brought forward with the unanimous endorsement of PSG. In terms of the composition of the Steering Group, this would be extended to include two new representatives from FinDev, selected from airlines not currently represented on PSG, with PAConf airline having precedence. FinDev had nominated representatives from AC and TK however recent events in Turkey meant that the person nominated might not be the person taking up the position, so they would leave TK to advise further.

M/175 In respect of PAConf nominations to PSG, he therefore proposed new members from 9W, AZ, LX and QR and PAConf unanimously endorsed the proposal.

Action:	Secretary
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ITEM R9 – CHANGES TO PASSENGER AGENCY CONFERENCE RESOLUTION 850

M/176 Mr. John Middleton from IATA's Legal Department introduced this item, explaining that the suspension of an airline from a BSP had become a critical procedure involving disputes and complaints among airlines, agents, the public in general as well as bankruptcy administrators and legal experts when cases were brought to court. In order to streamline the language of r850 and make it easier to follow for the courts and others, IATA Legal had undertaken an extensive review of the resolution and suggested some changes to the resolution text and a restructuring of some paragraphs to give it a more logical flow. As the changes proposed and shown in Attachment 'A' to the paper were extensive, Attachment 'B' provided a detailed summary of the changes.

M/177 Mr. Middleton added that the advice based on item R5 of an appropriate threshold for airline negative settlements was welcome and would not necessitate any further changes to

r850. On item R32 to be discussed later, he would need to work with the member to align with this proposal, which he would be happy to do off line.

M/178 Noting the explanation of changes contained in Attachment 'B', the Chairman took a vote on the resolution changes proposed in Attachment 'A', on pages 1-29. R32 we would need to work with CX to join the two up which I am happy to do off line. PAConf unanimously adopted the proposed changes.

ITEM 10 – DEBT REPAYMENT TERMS AND CONDITIONS AMENDMENT

ITEM 10.1 – COMMENTS ON R10 FROM ECTAA/WTAAA

M/179 Mr. Hattingh, Head Agency Management, explained that this proposal had been developed as a result of a recommendation from the Travel Agency Commissioners to allow some level of flexibility to allow for an alternative repayment agreement to be agreed between the Agent and IATA acting on behalf of BSP Airlines. It was important to stress that this was not the default position of IATA and that cases would be considered on an individual basis.

M/180 The paper set out the baseline requirements that must be met in order for IATA to consider entering into an alternative repayment agreement, reflected in changes to r818g Attachment 'A' Section 2 as shown in the attachment to the paper (Revision 1 sent out with the 2nd Transmittal).

M/181 Mr. Hattingh then drew attention to a paper from ECTAA/WTAAA commenting on item R10, shown at item R10.1. Whilst ECTAA/WTAAA welcomed the proposal to introduce an alternative repayment system, the agents had a strong reservation concerning the application of an 'official' interest rate plus an unjustified penalty of 1% and were therefore requesting that sub-paragraph 2.2.1(iii)(c) be removed. Mr. Hattingh explained that this clause was historically in place today under sub-paragraph 2.2.1(ii) without any issues.

M/182 The Chairman agreed that it would not make any sense to delete that in one of the sub-paragraphs and yet continue to have it applicable in the other. Therefore, on a formal vote, on the understanding that the 1% was already covered in current resolution text and would be applicable in both circumstances, Conference adopted the proposed amendments to Resolution 818g, Attachment 'A', as set out in Revision 1 of Attachment 'A' to the agenda paper. Conference took no action on item 10.1.

M/183 On the following day, at the request of a member, PAConf agreed to re-open this item. The member was uncertain how a carrier would be able to determine whether an agent declared in default could accomplish the normal repayment schedule instead of an alternative schedule. Due to some uncertainty, the member asked to record their abstention by name on this item.

M/184 Mr. Hattingh clarified that under the resolution and this process the agent would be suspended during that period, and would therefore pose no risk during the period of repayment. The agent would also have to furnish a Financial Security which would be held by IATA and would have to be valid.

M/185 On a revised vote, all members voted in favour except one carrier KE that recorded their abstention by name.

ITEM R11 – CHANGES TO RESOLUTION 854

M/186 The Chairman explained that there were three papers relating to this item – the agenda document sent out with the 2nd transmittal; a letter from Travelport dated 30 August and issued with the first set of onsite documents; and another letter from ETTSA dated 15 September

issued on site at Conference. The initial proposal had been submitted by IATA DPC Management proposing a number of changes to Resolution 854 that were necessary for the implementation of NewGen ISS.

M/187 Mr. Rodriguez explained that Travel Tech/ETTSA represented the GDS. He outlined the four main changes being proposed to r854. The first was an administrative change to the format of the resolution to simplify the certification signing process by allowing each ETSP to sign one global Electronic System Provider Agreement and to include the list of BSPs in which the ETSP participated in as an appendix to that Agreement. There was no opposition to this change from the GDS.

M/188 The second item was to include a clause in the resolution whereby the ETSPs would have activation/restriction of Forms of Payment (FOPs) by Agent. This capability was necessary in order to implement the new Accreditation Models and Remittance Holding Capacity, and to enable EasyPay as a new form of payment.

M/189 The third change was to adapt the number of hours by which ticketing authority was activated/deactivated to reduce the amount of exposure for airlines. As per the contract today, the GDS had 6 hours to do this and the proposal was to reduce this to one hour, with the intention at a given point to move this to real time.

M/190 The fourth item related to the frequency within which the GDSs would have to provide IATA with sales reporting. Today the sales reporting comes from the RET file which IATA received once a day and IATA used that information to do its risk monitoring and to make some decisions on the airlines' behalf.

M/191 A recent bustout case in France had highlighted the risk that continued to be posed by the current daily sales reporting, where there was a blind spot of between 24-36 hours before any abnormal sales activity could be detected. That was something IATA was looking to reduce to make sure it could manage its members' interests in the best possible way. The original request was to reduce this to every 2 hours, i.e. for the GDSs to give IATA 12 RETS a day, or to provide so-called real time monitoring. Mr. Rodriguez advised that he had made a promise in the last meeting with GDS that he would clarify that sentence which he wanted to do now. As set out in the agenda paper, after some consultation with a number of airlines as well as GDSs, IATA had come to the conclusion that the most effective solution would be to create a small development on the GDS side so that the event of booking a ticket would trigger a request to a web service on the IATA side. The GDSs' comment was that it should be highlighted that this was an IATA conclusion, and he confirmed this was correct, but *after* discussions with the GDSs and airlines.

M/192 The GDSs had also wanted clarification of 'create a small development' as it was an assumption on IATA's side that the development would be small. Mr. Rodriguez reconfirmed whether it was a small, medium or large development, it was indeed IATA's assumption that it would be small and IATA might be proved right or wrong.

M/193 Mr. Rodriguez stated that members would have seen the letter from Travelport over a month ago stating that they disagreed with changes #2-4. He then turned to the response from TravelTech/ETTSA, who had been present physically in the meeting with Travelport and the other 3 main GDSs where they had helped to put together the proposal before them today. TravelTech/ETTSA had responded to the 4 proposed changes as follows:

Point #1 – signing of new contract - this point had not even been mentioned, probably because it was simply an editorial amendment and no big deal.

Point #2 - activation/deactivation of FOP by Agent – TravelTech/ETTSA completely opposed this change, on the grounds that the FOP activation/restriction file did not as yet exist and was a complete unknown.

Point #3 – adapt the number of hours in clause 2.3 – TravelTech/ETTSA were proposing a compromise from 6-1 to 6-3 hours to remove ticketing authority from a suspended or defaulted agent. Mr. Rodriguez commented that the GDSs had pointed out that very often this happened even quicker than within one hour today, however as r854 was considered to be a contract, they were concerned that having something in a contract that would force them to one hour would have potential liability repercussions.

Point #4 - frequency of sales reporting – moving from 1 to 12 RET files a day was a no go for the GDSs but they were willing to work towards pseudo real-time sales monitoring.

M/194 Mr. Rodriguez felt that they would be able to accommodate their compromise proposals for points #3 and 4, however highlighted that their stance on #2 was a very serious issue for Conference consideration as it would put into question their ability to introduce NewGen ISS, EasyPay and the activation/deactivation of different forms of payment.

M/195 The Chairman was concerned that these changes would require the ETSPs to sign a new agreement and asked what would happen if they refused to do so. Mr. Rodriguez confirmed that any change to the contract – i.e. changes to r854 - would require a new signature. The Chairman reiterated his concern that if the ticketing providers did not play ball, they could be adopting something that could not be put into practice. He questioned whether it would be better for Conference at this stage to express a view on the feedback from the GDSs and allow more time for negotiation.

M/196 As with other aspects of NewGen ISS, Mr. Rodriguez felt that they should be looking at this as part of a package. For NewGen ISS to go forward, EasyPay as a form of payment would need to be implemented and activation or deactivation of FOP by Agent had to happen. This requirement was non-negotiable. Having these changes adopted in resolution would provide better leverage than not doing so.

M/197 Mrs. George completely supported that view, noting that it had been made very clear in the TIP Working Group and the workshops in which the GDSs had been present, point #2 was non-negotiable. In her opinion, the GDSs were very aware of that and without going into detail, they all knew why they were pretending not to agree with it.

M/198 After clarifying how IATA wanted to proceed with this item, the Chairman asked Mr. Rodriguez to provide a revised document for Conference consideration that would incorporate the counterproposals from ETTSA in respect of points #3 and 4.

M/199 On the last day of PAConf, revisions to R11 Attachment 'A' (revision 2 pages 1 of 4 and 2 of 4) were put before Conference. Mr. Rodriguez explained the main changes:

- to activate or restrict ticketing authority within 3 hours (as opposed to 1 hour in original proposal, and six hours currently)
- new clause 2.5 stating that System Providers undertake to 'endeavour to implement pseudo real-time sales monitoring of Agent's issuance of STDs as promptly as possible'

M/200 Whilst he was fully aware that the new wording was not contract-like nevertheless it was an improvement over what they had today and it was better to have something written in

resolution that could be seen by both parties as a commitment to working towards pseudo real-time monitoring.

M/201 On a formal vote, PConf unanimously adopted the changes to Resolution 854 as shown in R11 Attachment 'A', pages 1 of 4 and 2 of 4 in revision 2 dated 20 September 2016 and pages 3 of 4 and 4 of 4 shown in Revision 1 dated 18 August 2016. The Chairman thanked members, as in his view this was a big step forward.

Secretariat Note: *After Conference, it was noted that the timeline for change #3 proposed in the original submission was out of synch with the timeline for all other proposed changes to r854. As the original proposal on #3 had been superseded by the counterproposal from the GDSs to work on a 6-to-3 instead of a 6-to-1 hour timeline, which Conference adopted, post Conference it was agreed in consultation with the PConf Chairman that for ease of consistency all changes would have the same effectiveness date, i.e. 1 June 2017 subject to GDS' technical feasibility.*

ITEM 12 – REPLACEMENT OF OUTDATED TERMS – RESOLUTIONS 800, 818g, 832 and 866

M/202 Presenting this paper, Mr. Gilmartin explained that this was a housekeeping item in terms of refreshing outdated terms in the resolutions as mentioned in the paper. The position at the moment particularly when writing r8xx was that the current resolutions contained many outdated terms that had little or no meaning in today's world. For example reference to Agency Services Officer, Agency Services Manager or to BSP/ISS Manager were titles that no longer existed in IATA and therefore had no meaning. Mentioning IATA job titles was not helpful to external parties and therefore the proposal was to replace them wherever possible with 'IATA' which would better reflect IATA's regional hub structure.

M/203 Mr. Gilmartin explained that when this item had originally been presented to PSG, it had also proposed replacing the term 'Agency Administrator' with 'IATA' however PSG had expressed concern that this would de-personalise that role even though in many circumstances the action taken by the Agency Administrator was delegated.

M/204 The other element that had been introduced was a definition for 'ISS Management' to explain more fully what ISS Management was and its authority. Other than that the paper was self-explanatory.

M/205 On a formal vote, PConf unanimously adopted changes to Resolutions 800, 818g, 832 and 866 shown on pages 1-5 of Attachment 'A' of the paper.

ITEM 13 – TRAVEL AGENCIES PCI DSS COMPLIANCE ASSESSMENT

M/206 Mr. Hattingh reported that, at the request of PSG, IATA had conducted a survey of the 'top' and 'bottom' 100 agents to determine their PCI DSS compliance. As a result of the survey findings, it was proposed to adopt the following process to ensure agents' compliance in the future:

For new agents – an agent will not be approved for accreditation unless they provide proof of their compliance to PCI DSS.

For existing agents – proof of compliance will be done as part of the annual revalidation process or as part of the annual financial review.

For any instance of non-compliance the agent will be issued with a double irregularity with a set timeline to comply. The timeline would be in line with the size of the agent and type of compliance required. The irregularity will be withdrawn from the agent's record on confirmation of their compliance.

M/207 The agenda paper set out at Attachment 'A' the changes that would be required to r818g to support this process. Equally, it was recognized that there would be a need to educate the markets and provide guidance and direction well in advance of applying any compliance action.

M/208 The Chairman asked if there were any comments on the proposal and a member questioned whether there was perhaps another way of tackling this. The GDSs were all PCI compliant today and had their own certification for that. He wondered whether IATA should first check with the GDSs whether they monitored the PCI compliance of their agent subscribers because it could be that they would be putting requirements on travel agents that they were meeting already.

M/209 Mr. Hattingh advised that IATA was unaware if the GDSs had such a process in place and the Chairman suggested that Conference should hold back voting on this item until that had been ascertained.

M/210 Mr. Rodriguez thought it would be beneficial to move forward in the proposed direction with the wording in the agenda paper and at the same time also double check with the GDSs to see if there was a better or easier way of determining an agent's compliance.

M/211 A member asked how IATA would make PCI DSS requirements available to agents. Mr. Hatting explained that IATA was still developing the process but the initial thought was that there would be a communication/education campaign informing agents how to become compliant and how to self-evaluate. The communication would go out to the market as soon as possible to allow time between now and when this became effective on 1 June next year for agents to become compliant. It would take at least six months to go through the compliance process for larger agents, but about two weeks for smaller agents because of the self-evaluation process.

M/212 On a formal vote to adopt the changes to r818g shown in Attachment 'A' to R13, on the understanding that discussions would also take place with the GDSs to see whether they had any compliance process for agents, Conference unanimously adopted the proposal.

Action:	Mr. Hattingh
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ITEM R14 – REPORTING DATE TO REMITTANCE DATE PERIOD – APJC ANNUAL REVIEW BASED ON BEST PRACTICE

M/213 Mr. Rodriguez presented this item, which proposed changes to resolution to require APJCs to evaluate the period between the Reporting Date and the Remittance Date in their market at least once a year to ensure they were aligned with the resolution. Attachment B to the paper highlighted those markets that were not aligned with the resolution today. This would not be forcing any changes on a market, but would merely serve as a reminder that this should be reviewed at least once a year.

M/214 The Chairman explained that the original paper had made reference to 'Best practices' and PSG had agreed that it would be better if that were removed and therefore an onside paper, Revision 2 of Attachment 'A' to item R14 had been issued.

M/215 On a formal vote, Conference unanimously adopted the changes shown in the revised document.

M/216 Whilst not an objection, a member did question the accuracy of the information shown in Attachment B of the paper. When his market had moved to twice a month reporting starting 1 June this year, they had aligned to 1st and 15th of the month so he disputed that his market was not in compliance with the resolution. He believed the way the information in Attachment B was presented was misleading. Other carriers also had problems with the way this information was presented for their markets.

M/217 The Chairman instructed that Attachment B be taken off the table and revised, perhaps looking at what changes might be needed to the resolutions to more accurately reflect what was happening recognizing that there were markets where the days were not aligned but by no means should 70% of BSP sales be regarded as not remitting on time. Although Attachment B was useful, it should not be published. He would like to see this used as an internal guide and whenever something was out of kilter it could be addressed on an individual country basis.

M/218 Conference agreed to proceed on this basis.

Action:	Secretary
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ITEM R15 – LATE SUBMISSION OF FINANCIAL SECURITIES – CHANGE TO RESOLUTION 818g SECTION 2

M/219 Mr. Martinyuk Assistant Director Agency Management presented this item which had come forward from the regional operational teams. The paper proposed a more reasonable approach in respect of late submission of Financial Securities. The operational teams, as well as the Travel Agency Commissioners, had identified that the penalty on agents for the late submission of Financial Securities especially when matters were outside of their control were particularly onerous, with the issuance of two instances of Irregularity and withdrawal of STDs. The paper proposed the removal of the issuances of two instances of Irregularity as the financial risk had already been covered by the withdrawal of all STDs.

M/220 On a formal vote, PAConf adopted the changes to r818g shown in Attachment ‘A’ of the agenda paper, with KE abstaining my name.

ITEM R16 – SIMPLIFICATION OF CHANGES TO APPLICATION PROCEDURE NOTICE OF CHANGE (NOC) FORM ENHANCEMENT

M/221 Introducing this item, Mr. Kalatsidis advised that the changes set out in the paper were self-explanatory and proposed to simplify the Notice of Change form and submit it electronically through the IATA Customer Portal. This would not only streamline the process but also avoid duplications of data and duplication of effort from the agent side and from a process perspective.

M/222 On a formal vote, Conference unanimously adopted the changes to Resolutions 800 and 818g shown at Attachment ‘A’ and the new Notice of Change form shown at Attachment ‘B’.

ITEM R17 – MODIFICATION OF THE DAYS FOR SUBMITTING GUARANTEES BY TRAVEL AGENTS – CENTRAL AMERICA AND CARIBBEAN REGION

M/223 Mr. Hattingh presented a proposal from APJC Central America and Caribbean requesting modification for the days for submitting guarantees for travel agents for that region as the process for obtaining a bank guarantee in those markets was beyond the requirement set out in resolution. An analysis of showing the number of agents that had not been able to submit a Financial Security on time was set out in the agenda paper for each region.

M/224 PConf unanimously adopted the amendments to Resolution 818g shown at Attachment 'A' of the paper to allow 40 days for the submission of a Financial Security in CENAM and Caribbean countries with expedited effectiveness of 1 January 2017.

ITEM R18 – AGENCY COLLECTION FOR SUSPENDED AIRLINES

M/225 Mr. Hattingh explained that currently when an airline was suspended under the terms of r850 Attachment F, and IATA gave agents the instruction to settle all outstandings with the suspended airline directly, it was not clear whether IATA should take action against an agent should they fail to do so. This paper proposed changes to Resolutions 818g and 832 to make it clear that under such circumstances, the Irregularity and Default provisions would not apply and IATA would not take any action against the agent.

M/226 On a formal vote, PConf unanimously adopted the changes proposed at Attachment 'A' to R18 for expedited effectiveness of 1 January 2017.

ITEM R19 – E-BULLETIN ENHANCEMENT

M/227 Mr. Kalatsidis reported on a project within IATA to streamline the agency management process and to improve the customer experience for agents, as detailed in the agenda paper. Feedback from 7 early adopter airlines amongst PSG members on various aspects of the new ebulletin had provided valuable input on this development and an opportunity to gather some business requirements and developments that would be analysed for further development. The intention was to start rolling out implementation from January 2017.

M/228 The Chairman asked for feedback from any of the early adopters present at the meeting and one member confirmed that this was a very positive development that would assist the airlines in their business management especially if this information was available in real time.

M/229 Answering questions from a member, Mr. Kalatsidis confirmed that the ebulletin would be available through the Customer Portal and would be free of charge.

M/230 The Chairman advised that the Conference noted the update and wished IATA good luck with the full implementation.

ITEM R20 – SUBMISSIONS FOR CHANGES IN REMITTANCE FREQUENCY

ITEM R20.1 – CHANGE IN REMITTANCE FREQUENCY AND CHANGES TO LOCAL FINANCIAL CRITERIA – THE NETHERLANDS

M/231 A member from the market explained that this submission put forward changes to Local Financial Criteria for Netherlands, setting bi-monthly payment as the standard default setting for the market and reducing the remittance scheme from 15 to 10 days after the reporting date, all of which had been unanimously agreed by APJC NL. The original submission contained in the 1st Transmittal had been updated with some editorial changes set out in Revision 1 dated 12 September 2016.

M/232 The Chairman highlighted that this was a major change to what was currently in effect in the Netherlands, with monthly remittance. He then took a formal vote on the onsite document in respect of the change in remittance frequency and Local Financial Criteria as shown in the onsite document dated 12 September 2016. Conference unanimously adopted these changes for implementation 1 April 2017.

ITEM R20.2 - CHANGE IN REMITTANCE FREQUENCY AND CHANGES TO LOCAL FINANCIAL CRITERIA – IRELAND

M/233 Mr. Martinyuk introduced this item from APJC IE explaining that Ireland was currently on monthly remittance frequency and after extensive consultation and discussion, agreement had been reached at the APJC to move to twice monthly remittance frequency and to change the profitability requirement from one year out of three to one year out of two, with a consequent change in the calculation of the liquidity ratio.

M/234 On a formal vote, Conference endorsed the change to Remittance Frequency and changes to Local Financial Criteria shown at Attachment 'A' of the paper on the understanding that paragraph 1 GENERAL RULE Settlement Dates would be amended to read: 'The reporting periods are: 1-7th, 8-15th, 16-23rd and 24th to the end of the calendar month, both changes to be effective 1 April 2017.

ITEM R20.3 - CHANGE TO REMITTANCE FREQUENCY – PAKISTAN

M/235 A member from the local market reported that discussions were still ongoing. A proposal for a DIP scheme for Pakistan was currently under review by the IATA Regional Office and would then be submitted to IATA Legal, after which it would be discussed with the local Travel Agents Association. The member hoped it could be finalized by the end of the month for implementation in March 2017.

M/236 Conference noted the update.

ITEM R20.4 – REDUCE THE LENGTH OF CHINA BSP SETTLEMENT CYCLE

M/237 A member from the market explained that this proposal came forward with the unanimous agreement of APJC China to shorten the settlement cycle by 3 days from 8-11 to 4-8 days and changes to Local Financial Criteria.

M/238 PAConf unanimously adopted the new BSP Calendar for BSP China shown at Attachment 'A' of the paper and changes to the Local Financial Criteria shown at Attachment 'B' for 1 January 2017 effectiveness.

ITEM R20.5 – CHANGE TO NUMBER OF DAYS BETWEEN REPORTING DATE AND REMITTANCE DATE – INDONESIA

M/239 A member from the local market presented this submission which had been submitted by the APJC Indonesia airlines. Currently the remittance date in IND was 14 days after the reporting date and the APJC had been in discussion since 2013 about advancing this by seven days. Despite having had four meetings over the past four years, the APJC had been unable to reach a consensus and therefore in accordance with the resolution the airlines had unanimously decided to put this proposal forward.

M/240 Mr. Praba clarified that the agent representatives at the APJC were opposed to the proposal but there had been a subsequent meeting with the national carrier and the Travel Agents' Association where the agents had agreed to the proposal.

M/241 The Chairman confirmed the desired effectiveness date was 1 January 2017 and that as the Travel Agents' Association had agreed to the proposed change, it therefore came forward as a unanimous recommendation from the APJC.

M/242 With that understanding, on a formal vote Conference adopted the change in Remittance Date to seven days from Reporting Date with effect from 1 January 2017 and adopted the change to Resolution 818g, Attachment 'C' as shown in the agenda paper.

M/243 Later in the meeting, Conference agreed to a request from Mr. Praba to re-open this item. He wished to clarify for the minutes that this proposal had not been unanimously approved by the APJC. The agents' agreement to the proposal had been obtained in a meeting between the national carrier and the Travel Agents' Association but it was an airline only submission at the present time and had not been put again to the APJC.

M/244 The Chairman asked members whether that clarification would change how carriers had voted on this item. Several members indicated that they were not comfortable voting to finality on this item as it seemed that procedure had been partially but not entirely followed. Mr. Lugo shared their concern and recommended that the item be referred back to the APJC as the national carrier appeared to be acting on its own and that was not sufficient.

M/245 The Chairman advised the national carrier that if he were to take a revised vote now, it would be negative because there should have been a formal APJC meeting to show that the agents were in agreement with this change. He believed that they would be able to do that within the next few weeks, in which case the proposal could then be sent out by Mail Vote later and still achieve the desired effectiveness date. He explained that it would be better to have a document confirming that this had been agreed unanimously at the APJC level, rather than just a statement to Conference that the carrier had an agreement with the Travel Agents' Association that the agents would not object to this. The national carrier agreed to move ahead on this basis.

M/246 The Chairman confirmed that Conference was in agreement to defer this item back to APJC IND and to float a special Mail Vote for Indonesia later on the assumption that there was agreement at the APJC and a unanimous recommendation coming forward to enable the changes to come into effect on 1 January 2017.

Action: IATA Regional Office / Member

ITEM R20.6 – CHANGE IN NUMBER OF DAYS BETWEEN REPORTING DATE AND REMITTANCE DATE – CENTRAL AMERICA

M/247 PAConf unanimously endorsed the proposed change to shorten the number of days between the Reporting Date and Remittance date for BSP Central America and adopted the new Reporting Calendar shown at Attachment 'A' of the paper for 1 January 2017 effectiveness.

ITEM R20.7 – CHANGE IN NUMBER OF DAYS BETWEEN REPORTING DATE AND REMITTANCE DATE - SCANDINAVIA

M/248 Speaking on behalf of APJC SCAN, a member explained that this item had been submitted as a unique opportunity to move forwards with a 5 day remittance arrangement, i.e. remittance 5 days after the end of the reporting period as stipulated under r818g. The current Remittance Frequency for Scandinavia was weekly with the remittance date being 15 days following the end of the reporting period, meaning that the airlines waited 2-3 weeks to get their money, which the airlines in SCAN believed was far too long. This issue had been discussed extensively over the last 18 months in the APJC, LCAG and FAG. The initial

proposal had come up in April 2015 when the APJC had decided to defer it to the local FAG. The agents at that time were against the proposal because they felt it would decrease the working capital substantially and would oblige them to restructure their administrative processes and procedures.

M/249 The issue had been discussed several times by the LCAG and APJC without any real progress until March 2016 where there had been a breakthrough in the local FAG. The group had decided to recommend a shift from 15 to 10 day settlement and as a second step to go to 5 day settlement, i.e. in steps in order to give travel agents time to adjust.

M/250 The proposal at that time had been to move to 10 day settlement effective 1 April 2017 and 5 day settlement per 1 January 2018. The travel agents made a counter proposal, with Norway and Denmark agents suggesting to introduce 5 day settlement as of 1 January 2019 rather than 2018, i.e. one year more in which to adjust and that was accepted by the airlines. At the APJC held April 2016 the matter was discussed again and the travel agents were willing to move but stated they wanted the matter to be discussed with their respective members in the national travel agents' associations. After that meeting a Mail Vote had been floated where the Danish and Norwegian travel agents in the APJC had voted in favour of the proposal but the two Swedish agents voted against it. The airlines had voted unanimously in favour of the proposal, therefore according to the rules in r818g there had been a simple majority and the vote was carried.

M/251 Against that background, the proposal was submitted for the PAConf agenda to amend the remittance date for Scandinavia from 15 to 10 days effective 1 October 2017 and then from 10 to 5 days effective 1 January 2019. Subsequently, the Swedish Travel Agents' Association had filed a complaint with the Swedish Competition Authority about the shortening of their credit terms and alleging that such a change violated Articles 101 and 102 of the Treaty for the functioning of the European Union.

M/252 The member did not believe that the complaint against IATA was necessarily a bad thing as any action by the Swedish Travel Agents' Association could bring clarity to the case and in his view, there were three possible outcomes that could result:

Scenario 1 – the competition authority would not act on the complaint at all and if so, they could continue as planned;

Scenario 2 – the competition authority decided in favour of the travel agents and there would be no change as they would always be compliant with national laws and legislation and regulations; or

Scenario 3 – the competition authority would decide to act but not in favour of the travel agents, in which case their case would be even stronger.

M/253 The member reported that the Swedish Competition Authority usually came to a decision within six months, and therefore there should be a decision within five months from now. Therefore, as this was a unique opportunity to move forward with a payment scheme that was compliance with the resolution and more tailored to today's business realities, he asked Conference to approve the proposal under R20.7.

M/254 The Chairman commented that APJC SCAN covered 5 countries and whilst there was an advantage in having multi-country APJCs, it could cause problems in times like this because a proposal might go forward in 4 of the countries but not the fifth. The member advised that that possibility had not been discussed. Traditionally, his carrier considered the 3 SCAN countries to be the same market, with identical rules for the travel agents, identical Local Financial Criteria, one BSP, one APJC – it was considered to be one market. He would

not try to interpret what the APJC would decide for the future, but he would find it surprising if they would go ahead with changes in Denmark and Norway but not in Sweden. They would prefer to have the same reporting and remittance cycle in all 3 countries.

M/255 The Chairman could imagine there would be some competitive disadvantages for certain agents if the changes were introduced in some countries and not the other, and turned to Mr. Lugo for his point of view and some additional background on this.

M/256 Firstly, Mr. Lugo clarified that the complaint with the Swedish Competition Authority was issued against IATA acting as the trade association of the world's airlines. He then advised he would like to address Conference on this proposal and explain the concerns of IATA, as the subject of the complaint in front of the Swedish Competition Authority but also IATA's concerns in respect of this proposal and governance.

M/257 Programme changes are subject to competition law review by both internal and external lawyers, because this group is a group of competitors taking common agreement regarding terms and conditions of trade in the relationships with accredited agents. At one time, all such changes could go ahead under blanket immunity that IATA had from the application of competition laws in many jurisdictions. Starting in 2002, this immunity began to disappear. Everything that they did at an IATA Agency Conference, everything members did either individually or collectively as airlines was viewed no differently than any other industry and regulators applied the highest scrutiny to joint agreements, and kept a sharp eye as to what was done in this Conference. In competition law, it was not simply the implementation that triggered a governmental sanction, it was the entering into an agreement with anticompetitive effect itself, whether it is ever implemented or not, that was the key point.

M/258 With this proposal, Conference was being asked to approve a shorter remittance cycle in BSP SCAN, which gave rise to two issues namely (1) governance; and (2) competition law compliance. There were unique features of APJC SCAN – which covered Norway, Denmark, Sweden and Iceland. Under IATA governance, when a majority of airlines and agents agreed, an item went forward to PAConf. When the parties did not agree, a matter could be sent to Conference for a vote if the 24 month/4 meeting rule had been followed. The 24 month/4 meeting rule had a heavy burden to meet – by the PSG, by IATA Legal to ensure competition law compliance, and by this Conference.

M/259 Conference was not being asked to approve a matter on the 24/4 meeting rule, but an agenda item being submitted as the recommendation of the APJC SCAN. However, it was not correct to say that this matter had majority approval. The fact was that while agents in Norway and Denmark had approved the shorter cycle, agents in Sweden had not. If they had, they would not be having this discussion. IATA Legal would not approve this agenda item. IATA Legal's opposition was not based on a technicality, but on a verified and valid concern that if this matter proceeded to a vote by this Conference, the members of this Conference would have reached an agreement that potentially violated competition law applicable to Sweden and the European Union.

M/260 Under the current 7day/15 day reporting and remittance cycle in BSP SCAN, airlines in BSP SCAN received funds owed faster than most other airlines in Europe. While proposing to shorten the reporting and remittance calendar cycle to 7 days/10 days in 2017, and then to 7 days/5 days in 2019, would provide airlines with faster cash, Swedish agents would be at a competitive disadvantage vis-à-vis other agents in Europe where reporting and remittance cycles were longer, and where agents could offer longer credit periods to clients than those agents in Sweden.

M/261 In February of this year he had advised that this matter should not proceed as it would be a high risk for IATA and its member airlines without a strong, objective justification for the

change in reporting and remittance calendar. Expecting that his advice would be followed, he had been surprised to see that the agenda item had in fact progressed. In June he had advised that the risk of the Swedish agents filing a complaint was high, and had cautioned that the agents would probably invoke Articles 101 and 102 of the Treaty on the Functioning of the European Union in challenging a shift to a shorter reporting and remittance cycle, which was already one of the shortest – but not the shortest – in Europe.

M/262 Article 101 prohibited decisions by an association of undertakings which restricted competition and did not guarantee efficiency benefits that outweighed its restrictive effects. A 15 day remittance period applied elsewhere in Europe and it was difficult to argue a shortened period in SCAN was necessary to obtain the full economic efficiency benefit of standardization through the Agency Programme.

M/263 Article 102 was applicable because competition enforcement agencies or courts could view IATA and IATA member airlines acting in this Conference as holding a dominant position due to its ability to set the terms of the Agency relationship, including reporting and remittance calendars. Agents would argue that a new, shorter remittance cycle was ‘unfair’ – an unfair contract term – and abusive under Article 102(a) because they imposed on agents in Sweden an economic burden that did not apply uniformly elsewhere in the EU. The discrimination argument could apply in particular where agents in Scandinavia competed with agents elsewhere in managing large corporate accounts.

M/264 Mr. Lugo asked for forbearance with his lengthy explanation, however it was important that IATA’s position be understood and correctly reflected in the minutes as there was a complaint pending.

M/265 He went on to explain that under Articles 101 and 102, a crucial issue would be whether there was an objective justification for treating agents in Sweden differently from agents elsewhere in Europe. In the absence of a strong objective justification (which had not been articulated), there was a high risk that the Swedish Competition Authority – or the Swedish courts if the Authority granted the agents the right to sue – would side with the agents under Article 101 and or 102.

M/266 The member from the market had asked if the Conference would approve this item and defer implementation until the Swedish Competition Authority reached a decision on the complaint filed by the agents. Mr. Lugo replied that in competition law it was not simply the implementation that triggered a government sanction, but the entering into an agreement with an anti-competitive effect itself that violated the competition laws, whether that agreement was implemented or not.

M/267 Three parties had reviewed this agenda item – himself, Daniel Kanter from IATA Legal Services – himself a member of the Swedish Bar and a Swedish competition law specialist - and external counsel Latham & Watkins, a law firm that had worked with IATA on competition matters for over 15 years. In each case the unanimous opinion had been that this agenda item would be viewed as anti-competitive by regulators. As a result, it was his strong recommendation to this Conference that a vote not be taken on this agenda item and instead that the item be sent back to APJC SCAN for further discussions.

M/268 The Chairman asked the proponent to respond to Mr. Lugo’s remarks. The member advised that he fully respected the legal advice from IATA on this matter. However, he suggested that as the complaint had already been filed, it would not necessarily be removed if the Conference endorsed the proposal. The complaint had been sent and would be acted upon by the authorities. In his opinion, that could bring clarity to the case and deferral back to the APJC would undermine their future ability to negotiate this action. If it was referred back and no action was taken, they would have to start negotiations again from square one, with

the likelihood that the travel agents would use the same technique again which had proved to be effective to get the airlines to shy away. As there was still plenty of time before this was due for implementation, i.e. one year from now, and as they expected to hear from the authorities within five months' time which in his view would bring some clarity, the member reiterated the request for Conference to vote on this item. The carrier agreed that deferring it back to APJC SCAN would cause somewhat less damage than a negative vote but nevertheless was interested to hear the views of other members on this issue.

M/269 Having heard the arguments, a member stated that he would find it difficult to vote in support of the proposal and would prefer the option of referring it back to the APJC. A number of other carriers agreed, taking into consideration the advice from IATA Legal. However, many European carriers supported the position of the member from the SCAN market to put the proposal to a vote. A member, whose carrier was part of the SCAN LCAG and FAG and had been an observer at all the APJCs meetings, firmly believed that everything had been carried out properly and the rules and legislation had been correctly followed. If it was now sent back, it was likely that they would lose the agreement in Denmark and Norway as there would be a new vote and the result was unpredictable. The Baltic countries were closely related to the SCAN market, and this might open up action from the agents in the Baltic markets and potentially other markets because the member also participated in APJC Finland where the agent community was closely watching the results of this Conference.

M/270 The Chairman expected that many airlines would have sympathy for the SCAN member's position, however he felt Conference should consider the implications if the complaint was successful and the competition authorities ruled in favour of the agents, which could have enormous cost implications for the airlines. Whilst Conference could take a vote on the item, he had heard that some carriers would vote negatively and for any proposal to succeed it required unanimity. Whilst he fully expected and understood the sympathy coming from some carriers, nevertheless he believed that taking this item to a vote would be a dangerous move. The Chairman then turned to non-European carriers for their opinion.

M/271 Several carriers expressed their reluctance to take this item further at this stage, having heard the advice from IATA Legal and due to the pending complaint.

M/272 A member thought it would be best to wait for the judgement and then bring the item back again to Conference. His understanding was that IATA Legal had advised it would be dangerous for carriers personally to pursue this to a vote and he would be reluctant to see that happen. If it did, he would vote negative. He asked Mr. Lugo to clarify again what the issues were in pursuing this to a vote.

M/273 Mr. Lugo explained that when Conference took a vote and it was unanimous, the carriers in the Conference had reached an agreement. What they had heard from the member from the SCAN market was that they wanted Conference to take a vote and if it was affirmative, the implementation of the agreement that the Conference had made would be deferred until such time as Swedish Competition Authority issued a ruling on the complaint that had been filed. However he needed to remind Conference that in competition law it was not the implementation that triggered the government action, it was the reaching of an agreement amongst competitors that violated competition law.

M/274 If there was insistence that this went to a vote, he would recommend that the airlines that objected ask that their objections be minuted and IATA Legal would leave the room during the vote and that would also need to be minuted. It was a very, very serious complaint filed against IATA itself, the trade association of the world's airlines and the body that collectively set standards for the operation of the Agency Programme. He respectfully requested that a vote not be taken and the matter be sent back to APJC SCAN.

M/275 The member from the SCAN market advised that, from what he had heard, some members might be opposed should they take a vote. That left him with no option than to refer it back to the APJC because that option was slightly less damaging than a negative vote. However he was not convinced that they would be able to come back in the near future with a new proposal because the current proposal had taken 18 months to negotiate. The APJC had followed all the rules in terms of quorums and voting, and he was deeply worried about the signal this would send to APJC SCAN and neighbouring countries. He would like to encourage other APJCs to come forward to Conference with similar proposals and not be discouraged because this proposal from SCAN had suddenly exploded. He heard what Conference was saying and had appreciated the comments from his colleagues around the table but unfortunately it seemed that deferral was the only option.

M/276 The Chairman thought it was good that they had had the debate. It showed that Conference had acted responsibly in referring it back to the APJC and the record would show that the carrier had not forced a vote, He did not see why they could not wait for the decision from the competition authorities, which was due in 5-6 months, and once they knew the outcome of that competition review, then the APJC SCAN – or the carrier - could decide what it wanted to do. If the judgement was favourable, it would still be possible to bring a proposal forward later, which could go out as a Mail Vote. This meant that Conference was not rejecting the proposal, but merely pressing the pause button until such time as the Swedish Competition Authorities had come to a decision. He asked whether Mr. Lugo agreed with this.

M/277 Mr. Lugo pointed out that there was still a complaint pending against IATA on this matter. There was a significant risk in allowing the complaint to be decided to finality. What IATA Legal would like to see for the benefit of IATA and the members in the room, was for the complaint to be dismissed and if no vote was taken here because no harm would be caused to the Swedish agents, IATA would file a motion with the Swedish Competition Authority asking for dismissal of that complaint. At the same time, both the airlines and the agents at the APJC could continue to negotiate.

M/278 The Chairman fully supported the action to file to dismiss the complaint.

M/279 The proposing carrier agreed to proceed along the lines suggested on the understanding that there was a possibility to float a Mail Vote by the end of the year or early next year. His problem initially when talking about deferral was that they would have to wait another year for Conference to meet and that would cause problems with the implementation date and it was likely they would have to renegotiate the whole package again. If that could be avoided, he agreed with the Chairman's proposal.

M/280 Based on what he had heard from IATA Legal and the member, the Chairman believed that this item was being withdrawn and sent back to the APJC to await further developments. Based on that, his understanding was that as Conference would not be taking any action on this item, IATA would seek to have the complaint dismissed and they would wait to see what the results of that were. Pending the outcome, they could then decide what happened next.

M/281 A member asked whether PAConf would get a summary of what happened with the litigation when any proposal went out by Mail Vote. The Chairman gave assurance that the Mail Vote would explain exactly what had gone on right from the very beginning until such time as the Mail Vote was issued, and carriers would be informed of the outcome of the decision of the Competition Authority.

M/282 Another member was concerned that once the agents heard that Conference had not acted on this item, they might decide not to go forward with the complaint in order to avoid a possible negative outcome, which would mean that the whole negotiation process would have to start all over again. The Chairman advised that that was why the rules provided that if

discussions had taken place at 4 APJC meetings or in the last two years, and progress could still not be made with the travel agents, a member or members could bring a proposal forward. On a number of occasions when it was clear that no further progress could be made, Conference had decided to implement a proposal based on that resolution text and there had never been an occasion of a complaint being filed afterwards. There had also been occasions when Conference had not been satisfied and had sent proposals back for further discussion. All of which demonstrated that Conference acted responsibly and in his view had acted very responsibly on this occasion also.

M/283 A member recalled that there had been a suggestion in his APJC to combine Germany and Switzerland APJCs into one. Given the situation in SCAN, his carrier might not be in favour of moving in that direction any longer.

M/284 The Chairman advised that on occasion there had also been talk of creating a European APJC. The idea of merging so many countries together now seemed like a very foolish thing to do.

M/285 Mr. Lugo commented that APJC SCAN in general had been a very successful multi-jurisdictional APJC with the ability of the various parties in the APJC to reach consensus. This particular situation with the Swedish agents being in opposition did raise a very unique problem with the governance that would need to be addressed after this Conference. They would need to revisit the issue of multi-jurisdictional APJCS. When things went well and there was a majority or consensus across the board it worked well, but this was an example of a problematic situation.

M/286 The Chairman confirmed that this issue would be referred to the PSG, who would look at multi-jurisdictional APJCs to see how things could be handled better in the future. Meanwhile this item was withdrawn on the understanding it would be sent back to APJC SCAN, and put on hold whilst IATA sought to have the complaint withdrawn. If that failed, they would have to await the judgement of the competition authority.

M/287 As a final comment, Mr. Lugo as a representative of IATA Legal wanted to stress to Conference that IATA did not take this situation lightly. This was a very serious matter from a competition law perspective and IATA Legal took great care to protect the ability of this Conference being able to take decisions and produce resolutions, and he would like to see that continuing to be protected without the airlines or IATA being fined.

M/288 Mr. Gilmartin commented that that they had been discussing the nature of the complaint that had been filed with the Swedish Competition Authorities and he was not sure if the delegates had seen the complaint itself. It occurred to him listening to the debate, what would the Swedish Competition Authority will be reviewing? Would it be the merits of the case itself in terms of how the situation had been arrived at? Or was it the conduct of IATA in overseeing the process and whether that had been conducted in compliance with competition rules? Depending on the nature of the complaint itself, it could be very different in terms of how the Swedish authorities would review it because he thought they were assuming at the moment that the Swedish Competition Authorities were going to review the case on its merits in terms of the proposal rather than the conduct of IATA.

M/289 Mr. Lugo advised that the complaint was very broad. He reminded everyone of the complaint filed by ECTAA/GEBTA against IATA in 2003. These sorts of complaints started narrow and ended up being very broad. Some people in the room would remember how broad the investigation into the ECTAA complaint ended up being, and how broad the negotiations were, to the point where they had ended up adopting r818g as a result.

M/290 Concluding discussion on this item, the Chairman reiterated that the item was withdrawn pending further developments and they would wait to see what happened next. This was the first time that anything like this had come onto the PAConf agenda and he believed it had been useful to have had the debate and the record would establish that Conference had acted very responsibly. He thanked members for their comments.

ITEM R20.8 – CHANGE TO NUMBER OF DAYS BETWEEN REPORTING DATE AND REMITTANCE DATE – LATVIA

M/291 A member from the market reported that this submission from APJC Latvia came forward to PAConf with the unanimous agreement of APJC Latvia.

M/292 PAConf unanimously endorsed the proposed change shown at Attachment ‘A’ of the agenda paper, namely to Resolution 818g, Attachment ‘C’ for Latvia to reflect the changes in Remittance Frequency agreed as of 1 January 2017; and at Attachment ‘B’ showing consequent changes to the Local Financial Criteria, both for effectiveness 1 January 2017.

ITEM R20.9 – CHANGE TO NUMBER OF DAYS BETWEEN REPORTING DATE AND REMITTANCE DATE – ESTONIA

M/293 Conference unanimously adopted the changes to r818g, Attachment ‘C’ as shown at Attachment ‘A’ of the paper for 1 November 2016 and 1 March 2017 effectiveness; and changes to LFC as shown at Attachment ‘B’ for 1 November 2016 effectiveness; and changes to Estonia LFC as shown at Attachment C for 1 March 2017 effectiveness.

ITEM R21 – MANAGEMENT INFORMATION REPORTS

M/294 Mr. Kalatsidis provided an update on the Management Information Report (MIR), pleased to note that usage was steadily increasing. IATA had initiated a training programme for the airline-appointed Credit Risk Managers who had access to these reports through the Customer Portal on how to use these reports and the responsibilities of the CRM. To date, about 50% of CRMs had received that training and the programme would be completed by the end of the year.

M/295 Going forward, IATA was working on introducing a separate report for Domestic Agents in Indonesia and China with appropriate thresholds, and on delivering a .csv format of the report to the Customer Portal in addition to the current pdf version for easier incorporation into carriers’ internal systems.

M/296 IATA had initiated an extension of the monitoring of the MIR in the Europe and MEA regional hubs to cover weekends and that activity would be extended to all other hubs by the end of the year. The estimated savings for 2016 to date as a consequence of the introduction of the Management Information Reports was US\$ 17.2 million, with an aggregated amount of immediate settlement requests satisfied by agents over the same period was US\$49.1 million.

M/297 Mr. Rodriguez felt it was important to understand where they had come from in the last 2-3 years and the importance of these reports. This was information that IATA was able to use for monitoring and decision-making. The operational teams had this at their fingertips to spot any abnormal activity, and the airlines also had this information to manage from their side. He wanted to reinforce the importance for each airline to review this information, as in many regions usage of the report was less than he would like to see and whilst some airlines were using it consistently, others were not using it at all. It was important to use the report in order to make decisions from the airline side and not only at the IATA level.

M/298 Several carriers asked about who the report was sent to in each airline and who had received the training. There seemed to be a disconnect and members did not understand how IATA was approaching the airlines in this respect. It would also be useful for airlines to know when training was being scheduled within individual airlines.

M/299 Mr. Popovich confirmed that every IATA member airline in the BSP had all appointed a CRM however, the practice understandably varied by airline. Some airlines had one network accountable person, whereas others had a mix of people. Now that those champions had been identified, IATA needed to give visibility about how the process worked, who received the reports, who IATA contacted when there was an issue and so on. He thought this should go to PSG as a first step and then there would be the major task of training the global risk management community. There was an opportunity to share best practices amongst airlines, and a big educational training programme on how they could work better together. He believed that PSG should be involved in what that educational process should be.

M/300 The Chairman agreed that this issue would be on the agenda of the next PSG meeting.

Action:	Secretary
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ITEM R22 – AGENT CREDIT RISK MANAGEMENT WORKING GROUP

M/301 Mr. Rodriguez informed PAConf of the creation of a new Agent Credit Risk Management (ACRM) Working Group that would be established under the Financial Committee to provide advice and guidance on matters relating to anticipating and responding to issues relating to agent credit risk management. The Working Group would also provide advice to IATA and the Steering Group. CFOs of member airlines had been requested to assign a specific relevant person and several nominations had already been submitted. FinCom would be identifying the final group shortly with a first meeting being held probably at the end of November.

M/302 A member reported that in the future, he would like to see development of a specific report for OTAs. The current MIR related to agents on a country-by-country basis, whereas it would be useful to have this on a multi-country basis so they had visibility on agents operating in more than one country.

M/303 Mr. Rodriguez felt that this kind of proposal was a good example of what the new Working Group could do in the future, in identifying improvements to the current report or in developing something completely different. He was looking forward to the participation of the airlines and the future landscape.

M/304 PAConf noted the report.

ITEM R23 – EDITORIAL CHANGES TO RESOLUTION 818g, ATTACHMENT ‘C’

M/305 PAConf endorsed the proposal for editorial amendments to Resolution 818g, Attachment ‘C’ for certain Aisa/Pacific countries to (1) to include existing different credit periods previously approved but not reflected in resolution text as shown at Attachment ‘A’; and (2) to remove or update items as shown at Attachment ‘B’ to the paper.

ITEM R24 – RESOLUTION 866 – DEFINITIONS OF AGENCY PROGRAMME JOINT COUNCIL AND REMITTANCE

M/306 Mr. Gilmartin introduced this as a housekeeping item to include definitions for ‘Agency Programme Joint Council’ and ‘Remittance’ in Resolution 866. It was also proposed to amend

the definition for APJC so that it was clear that IATA was always in the role of Secretary to any APJC.

M/307 A member raised an issue with the proposed definition for Remittance as the reference to Standard Traffic Documents would not cover web sales.

M/308 Following off-the-floor discussion with the member, Mr. Gilmartin put forward to PAConf a revised definition for 'Remittance' that would ensure web sales were included, to read as follows:

REMITTANCE is the payment of monies due by an Agent, for sales issued with Standard Traffic Documents to the BSP Airline, including sales made by an Agent where the ticket is issued by the BSP Airline on behalf of the Agent and reported using the facility of the BSP. The Agent's Remittance shall reach the Clearing Bank on the date established by the Conference.

M/309 On a formal vote, Conference unanimously adopted the definition for 'Agency Programme Joint Council' as put forward in the original paper and the revised definition for 'Remittance' as shown above.

ITEM R25 – RESOLUTION 890 – CARD SALES RULES

M/310 The Chairman informed PAConf that this was an item submitted by ECTAA/WTAAA. He believed that the paper was well argued and well laid out and wanted to hear members' thoughts on the paper.

M/311 A member reminded PAConf that a rewrite of Resolution 890 was still an outstanding item for the PMWG and in his view, this proposal should be parked until something came out of the PMWG and PSG had had time to review that. The Chairman agreed it would be wrong to take action on this particular item at the present time.

M/312 Mr. Rodriguez added that in addition, the TIP WG under the PAPGJC was also looking at this issue and that work was not done yet, as discussions with the travel agents and the GDSs were still in progress. He reminded members of the timeline mentioned earlier in the meeting to have a full package by the end of March to show transparency on these payments, airline consent, and what any repercussions might otherwise be. In his view, the work of the TIP WG would be instrumental in putting all that together.

M/313 The Chairman ascertained that there was no support to act on this item at Conference. PAConf felt that the timing was unfortunate because the TIP WG had been established to review payment methods and was examining this topic. Conference declined to act on the paper but recognized it was a very important topic for the agents that needed to be thoroughly examined. Some carriers indicated they might wish to make this a voluntary option and if that was included in the resolution there would need to be proper procedures in place for carriers who did not want to accept cards.

M/314 Conference therefore agreed not to take any action on this item at the present time.

ITEM R26 – WEB SALES BY TRAVEL AGENTS

M/315 Mr. Rodriguez advised that, in the spirit of cooperation that had been established with the travel agent associations, at this point as the proposal was not physically implementable for technical reasons and on assumption that they were working on having real time reporting, it could be that they would find themselves in a situation in the coming months where this paper was no longer needed. If IATA was able to manage information in real time, it would

be able to control bustouts. Therefore at this point he was not sure if Conference wanted to vote on the paper as it could be left aside until they had a clear understanding and answer from the GDSs whether there would be the capability to run real time monitoring on behalf of the airlines.

M/316 The Chairman advised that as there was no paper on the agenda relating to web sales, the item would be noted.

ITEM R27 – MARKET UPDATES

M/317 PAConf noted the market update information set out in the paper.

ITEM R28 – UPDATE ON BLOCKED FUNDS

M/318 Mr. Popovich advised that this item provided Conference with the latest report on blocked funds, which was a growing phenomenon in the marketplace globally and at the end of last year, there was US\$ 4.9 billion of blocked funds around the world. He explained the action that IATA was taking on members' behalf to repatriate some of these funds and drew attention to the league table of blocked funds shown at Attachment A to the paper, showing the extent to which IATA had made an impact or the extent to which things had got worse.

M/319 A member asked whether the monthly reports could be made available on the Customer Portal and Mr. Popovich agreed to take this away as an action item, to provide a link from the currency platform web site to the Customer Portal. He also committed to providing the most up to date report to members, with a specific update on Nigeria.

Action: Mr. Popovich

M/310 Conference noted the update.

ITEM R29 – TUNIS AIR POSITION ON NEW GEN ISS

M/311 The Chairman took this item on the last day of Conference, explaining that the paper was a submission from a Member asking for the exclusion of Tunisia from r8xx. Earlier, under item R1 Conference had taken action on r8xx in a proper and rightful fashion that had resulted in a unanimous vote with no abstentions, fully in accordance with the rules. Under normal circumstances he would have expected the member to have been at Conference to defend this paper and to have voted accordingly when the vote was taken. However the paper was properly on the agenda. To a certain extent, Conference had been misdirected about the carrier's position on this item, having been led to believe that a Conference Minute would have been acceptable to them when it clearly now was not. Therefore, with PAConf's agreement, he intended to re-open agenda item R1 that dealt with r8xx.

M/312 In order to meet what the national carrier would like to accomplish, the Chairman had drafted some words to be inserted as a WHEREAS clause in r8xx which he put up on the screen for members' consideration. The proposed wording read as follows:

“WHEREAS it is recognized that Tunisia is excluded from this resolution at the current time due to the economic conditions for the travel industry. A review of this situation will take place before the 2017 Passenger Agency Conference.”

He believed that by inserting that text in the resolution on a temporary basis, with a review being taken next year before Conference met in September, would clear up any misunderstanding and enable them to move forward.

M/313 Mr. Lugo thought that a Conference Minute would be just as effective, as a 'Whereas' clause could lead to a precedent and additional requests for 'whereas' clauses. As the national carrier was not present, a Conference Minute would take care of their concerns. The carrier could also use a Government Reservation under Resolution 001.

M/314 The Chairman fully agreed with Mr. Lugo, however a Conference Minute was not acceptable to the carrier concerned. He had seen email exchanges between IATA and the carrier that stated there could be difficulties if Tunisia was not put in the resolution as an exclusion, which was why he had suggested the 'Whereas' clause that would disappear next year. As r8xx would not be going into the TAH, he asked for Mr. Lugo's forbearance until such time as this could be sorted out.

M/315 Mr. Lugo understood the situation but his only concern had been the precedent value.

M/316 The Chairman repeated the proposed text, and reconfirmed that it would have to be reviewed next year and either be amended, changed or dropped by the time of Conference in 2017. He asked whether there was any opposition to inserting the new text into r8xx.

M/317 Whilst not opposed, a member was concerned that if the situation did not change in 2017, this clause would come back to PAConf next year. He hoped that a strong message would be sent back to the national carrier indicating that the clause would cease to exist in 2018 unless the carrier was personally present at Conference next year to explain their position.

M/318 The Chairman agreed that Conference had done its utmost to accommodate the national carrier's needs and requirements and had acted in accordance with the rules. In his view, in many respects the carrier did not deserve such consideration. If the carrier wanted to see Tunisia excluded from 2018 onwards, they would need to be present at Conference, otherwise the 'whereas' clause would disappear as it would be out of date.

M/319 The Chairman advised that in the meantime the IATA Secretariat would continue to have meetings with the national carrier and travel agents and hopefully when things simmered down, they would understand that Tunisia could be put into Wave 4 countries for implementation and that would allow them time to review the situation later.

M/320 During discussion, a member noted that the proposed new wording in r8xx talked about the economic situation of Tunisia, although the arguments in R29 did not invoke that specifically. Another member had no problem with the wording, but was also concerned about setting a precedent for the future for any other country to request similar exclusion.

M/321 The Chairman advised that these concerns were noted. He assured PAConf that any future requests for exclusion as a result of this action would be taken very seriously and rejected.

M/322 The Chairman then took a revised vote on R1, with r8xx amended to allow for the new 'Whereas' clause for Tunisia. 8 members abstained on the proposal, solely on the basis of the new clause.

M/323 The Chairman thanked Conference for its forbearance. He understood that it was a complex situation but believed that Conference had acted responsibly and helped the national carrier and IATA staff out of a difficult situation. He hoped that things would get better in the coming months.

ITEM R30 – UPDATE ON ADM MANAGEMENT & REDUCTION PROJECT

M/324 In addition to the agenda paper, Mr. Gilmartin provided PAConf with a presentation on the ADM Reduction Project, focusing on the activities to date and 2016 deliverables. He was pleased to report that the Project Team had now managed to categorize 75% of all 'undetermined' ADMs. There would be a further meeting of the ADM Working Group in November which was still open for anybody wished to attend. The Working Group consisted of airlines, agents, travel agents' associations, GDSs, ATPCO and ARC and was aimed at building an action plan to identify solutions to improve inefficiencies and to reduce the number of ADMs raised. The November Workshop was particularly important as the parties present would be asked to vote on the priorities for the coming year and propose a yearly target for ADM reduction or other areas of improvement, for PSG endorsement.

M/325 The Chairman considered this project to be the 4th string of the ISS bow. He asked whether the project was now fully funded and whether Conference could be assured that it would be delivered to an appropriate timescale.

M/326 Mr. Rodriguez confirmed that funding for 2016 was in place until the end of the year and funding for 2017 is being finalized as we speak. This project was high on the priority list and he expected it to be fully funded but would have to wait for the budget approval around mid-October.

M/327 The Chairman asked that this be put on the next PSG agenda. He would hate for the project to be put in the slow lane given it would be very worthwhile if it could only achieve partial success because IATA was way behind ARC when it came to ADMs.

M/328 A member asked for clarification whether the BSPlink development would include the auto population of the FCMI codes, otherwise that would be very costly for the airlines. Mr. Gilmartin agreed that the FCMI codes were critical for the automation of the fare quote. He believed that all the elements were very well understood and thought that would be tackled as part of the developments necessary because without that it would not be possible to move forward. He would confirm back to the member as an action point exactly what they were doing on that basis.

Action:	Mr. Gilmartin
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M/329 A member thought that the Project Team had done some excellent work and commended them on the update today. He added his support for members to attend the next Workshop session as it would be setting the scene for the next two years.

M/330 Mr. Gilmartin agreed. The Workshop would be held in Geneva on 10/11 November and people could register on the ADM extranet site if they wished to participate.

M/331 Turning to the agenda paper, Conference noted the report and endorsed the continuation of the ADM Project with the targets set out in the paper.

ITEM R31 – INDUSTRY TRUST FUND (ITF) – HONG KONG

M/332 PAConf approved the revised timeline for review of the ITF HKG and looked forward to a new proposal coming forward to PAConf next year.

ITEM R32 – CHANGES TO RESOLUTION 850 ATTACHMENT F

M/333 A member from the market advised that this item had been submitted by APJC HKG proposing changes to Resolution 850, Attachment F, to stipulate the obligations of a

suspended airline and to allow travel agents the right to offset the payment of any funds with the refund request of the suspended airline.

M/334 Mr. Middleton clarified that this was a proposal to allow agents to offset refund claims against losses due to the suspended airline in circumstances where IATA had instructed agents to settle directly with the suspended airline. Given the changes adopted early to r850, at a minimum, IATA Legal felt that there needed to be some changes to the internal references and in an ideal world might also like to suggest some other changes but recognized this had come forward unanimously from the APJC. He would be happy to work with the carrier from the market on some revised wording.

M/335 After off-the-floor discussion, the carrier advised that it had been agreed to refer the item back to APJC HKG with some recommendation for changes provided by IATA Legal for their consideration.

M/336 Conference endorsed this course of action.

Action:	Member/Mr. Middleton
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ITEM R33 – CHANGE TO CARD SALES RULES – RESOLUTION 890 – INDIA

M/337 Introducing this item from APJC India, a member from the local market advised that with the change to a weekly billing cycle in India, travel agents had been raising issues regarding their liquidity and cash flows. At every APJC meeting in India, one solution put forward was for the acceptance of the travel agent's card for the issuance of tickets. The airlines in India were in agreement with the proposal but with a constraint that the use of these cards had to be authorized by the carrier concerned. Therefore the proposal was to amend the wording of Section 1.4 of r890 to include the words 'unless authorized by the Carrier'. This meant that it was not opening this up to all carriers, only those carriers that accepted it. The proposal was unanimously endorsed by the APJC-IN.

M/338 A member advised that he felt the same about this paper as he had done about the proposal from WTAAA/ECTAA under item R25. As long as the rewrite of r890 was work in progress with the PMWG, it would be wrong of Conference to make this adjustment at this stage given that the PMWG would come back to Conference next year with a proposal. Several other members echoed this view.

M/339 Mrs. George recalled that that was the position adopted at the PAPGJC meeting in September, and a representative of the Indian Travel Agents Association had been present at that meeting.

M/340 The Chairman stated that, again, he did not believe there was any opposition to the proposal but it was the wrong time to put to a vote now, recognizing that a rewrite of r890 was under way and that the PMWG was charged with coming forward with some proposals. Recognizing the pressure being put for the acceptance of agents' cards, he asked whether the member could accept that this be noted at this year's Conference and hopefully they could look forward to receiving some positive news next year.

M/341 The member agreed to accept the advice of the Chairman and wait a little longer. However, he pointed out that this proposal had been put to Conference already last year and there was considerable pressure from the travel agents to have this adopted.

M/342 Mr. Rodriguez thought that everybody was working in that direction, both the PMWG and the TIP WG, to have clarity on what should be done with credit cards and virtual card in

the future. He gave the member his full commitment and the commitment of the PAPGJC Chairman to ensure that something went forward to Conference next year and the expectation was that there would be a new proposal for PAConf next year.

M/343 The Chairman stated that this was not only a problem for India, but in many other parts of the world. There was a reluctance amongst some carriers to have that accepted which was why he believed they would end up with a permissive situation and if so they would need to put up some requirements. Therefore it was in the carrier's best interests to wait. He recognized that this issue had been coming to Conference for 2-3 years now but there was momentum behind it for next year's conference.

M/344 The member agreed to wait until a proposal came to Conference next year. On that basis, Conference noted the item but took no action on it.

M/345 Later in the meeting, at the request of the member, Conference agreed to re-open this item. The carrier sought advice from IATA Legal whether the proposed new wording in R33 'unless authorized by the carrier' would be covered by competition law. Specifically whether they would be covered by competition law if they were to accept this wording on an interim basis in their market pending a final submission on r890 from the Working Group next year.

M/346 Mr. Lugo advised that he was not in a position to say what was acceptable or not while the Working Group was acting. Resolution 890 was part of an overall project for Transparency in Payments, which was intended to have very pro-competitive changes to payments including credit cards, so it would not be appropriate for him to comment further on R33 at this point.

M/347 The carrier asked whether it would be possible to reconsider the request from APJC IN because it was an important issue for their market and the agents had been asking for this for some time now.

M/348 The Chairman advised that equally, and he would take a vote if the carrier so wished, if the proposal was defeated it would send the wrong message back to the APJC and that would be unfortunate. Carriers around the table had indicated that the timing was inappropriate because the Working Group was looking at Resolution 890 in detail, recognizing the pressure that was on. He also wanted to add that the agent representatives from India at the PAPGJC had recognized the difficulty that Conference would have in adopting this change now. Therefore whilst there was great sympathy for what the carriers in the market were trying to achieve, he recommended that they defer this back to the APJC to await a proposal from the WG to the next Conference.

M/349 The member reluctantly agreed to defer the item back to the APJC on that basis.

ITEM R34 – CHANGES TO RESOLUTION 830d

M/350 The member submitting this item explained proposed changes to r830d to make it mandatory for travel agents to put the passenger's contact details into the PNR.

M/351 A carrier stated that this was a very difficult subject. He recalled discussions on this issue previously and the resistance from travel agents to put this data into the booking. In his view they were walking a tightrope with this and he thought they had gone as far as they could to try to collect as much information as possible to inform passengers of flight disruptions and to clarify that the data would not be used for marketing purposes. He did not support the proposed changes, feeling that it was the wrong way to go and would make a difficult situation even worse.

M/352 Another member supported the proposal. The current wording was causing problems in his market as the present resolution text looked more like a recommendation than a requirement and he would therefore support this change which would make it much stronger.

M/353 A member thought that if the wording was changed from 'should' to 'shall', that would mean that agents had to comply and asked what action would be taken if the agents did not comply?

M/354 The Chairman did not believe that any action could be taken other than a carrier informing the agent that they were not following the resolution. A member asked whether the airlines would have the ability to apply an ADM policy against agents for failing to comply, however Mr. Lugo reminded PAConf that ADM policies were strictly commercial and could not be discussed in this forum. Carriers were free to give instructions to their appointed agents.

M/355 The member opposing the proposal thought this change would not make any difference to what the travel agents did but it would mean that there was a clause in resolution which was unenforceable and it would be disregarded. He did not believe this would be useful and would be a redundant measure.

M/356 Another member added his support for the proposal. In reality, airlines were facing increasing responsibilities in the absence of any notification to passengers. This proposal would help by putting more responsibility on the travel agents to provide passengers' contact information. On the basis of what he had heard from a legal perspective that carriers could update their individual ADM policies, having this in resolution text would take care of that.

M/357 The Chairman asked for a show of hands in support of the proposal. Many carriers were in support, with one carrier opposed. The Chairman asked the opposing carrier how strongly they felt about their negative position. As Chairman, he found it a strange thing to adopt given that it could not be enforced and they would be making a mockery of themselves putting this in as a mandatory requirement.

M/358 The opposing member confirmed that he was satisfied with his position on this item. The carrier submitting the proposal was free to issue its own instructions but he did not see why his airline should be compelled to accept it.

M/359 On behalf of the IATA operational staff not present, Mr. Gilmartin explained that, should this paper be adopted, at face value IATA staff would have the job of enforcing this provision. IATA did not want to have resolutions that were unenforceable because that would undermine other resolutions. If the resolution text did not provide for any sanctions, it would be unclear what IATA staff would be expected to do and he felt that would be a recipe for trouble. He suspected such a situation would generate more cases to the TAC, create friction and the breakdown of relationships in the market in those cases. He therefore cautioned against adopting clauses that were unclear and that did not have any sanctions attached to them.

M/360 On a formal vote, the majority of carriers were in favour of the proposal but one member maintained his opposition. The Chairman asked whether there was anything he could do to remove the negative, but the member reconfirmed that he was not unhappy to be the only negative vote. The Chairman advised the carrier submitting the proposal that he was welcome to talk to the opposing member off the floor but in the meantime had no option but to declare the proposal defeated.

ITEM RZ1.1 – LOCAL FINANCIAL CRITERIA ARGENTINA – MODIFICATION TO INCLUDE AN EXCEPTION FOR GOVERNMENT DEPARTMENTS ISSUING TICKETS AS TRAVEL AGENTS

M/361 The Chairman advised that this proposal related to changes to Local Financial Criteria for Argentina to include an exception for government departments issuing tickets as travel agents to provide financial statements but they would have to provide a permanent financial security. The proposal came forward with the unanimous endorsement of APJC Argentina.

M/362 A carrier from the market thought that the proposal would be contradicting local law in Argentina and they would be implementing changes that could not be implemented. He asked that the item be deferred and sent back to the APJC to see how the local situation evolved.

M/363 Another carrier was in favour of the proposal. Her understanding was that this was an exception that the APJC dealt with every year and as the government did issue tickets and did not produce any financial statements, she was in favour of starting this.

M/364 The Chairman stated that local law would always override IATA resolutions. However, as this was a unanimous recommendation from the APJC, he would not like to see the item defeated as that would send back the wrong message. He asked the local carrier if they could agree to have a vote on the item on the understanding that if adopted the APJC would be asked to review this at their next meeting to see if any further changes were necessary. The carrier agreed to that approach.

M/365 On a formal vote, PAConf unanimously approved the changes to Local Financial Criteria for Argentina as shown at Attachment 'A' of the proposal, effective 1 January 2017 and the Chairman thanked the local carrier for their contribution.

Action:	APJC Argentina
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ITEM RZ1.2 – CHANGES TO LOCAL FINANCIAL CRITERIA – BOLIVIA

ITEM RZ1.3 – CHANGES TO LOCAL FINANCIAL CRITERIA – PERU

ITEM RZ1.4 – CHANGES TO LOCAL FINANCIAL CRITERIA – CHILE

M/366 These items had come forward to Conference from APJC BO/CL/PE for changes to the Local Financial Criteria for Bolivia, Peru and Chile. A member questioned why the Minor Error Rule for these countries which currently allowed an MER once a year was proposing it be changed to twice a year.

M/367 The Chairman noted that the proposals had been voted in unanimously at the APJC, and therefore would not like to see it defeated but planned to send the issue back to the APJC asking for further review as to why this was necessary. He asked the carrier if he would be negative if a vote was taken on this item.

M/368 If most airlines agreed with the changes, the carrier advised that he would abstain but asked that this be sent back to the APJC for reconsideration.

M/369 On a formal vote, Conference adopted, with KE abstaining by name, the changes to Local Financial Criteria proposed by APJC BO/CL/PE for Bolivia, Peru and Chile respectively shown at items RZ1.2, RZ1.3 and RZ1.4 for 1 January 2017 effectiveness. This was on the understanding that the APJC would look again at the Minor Error Rule to see whether the proposed changes were really necessary.

Action:	APJC BO/CL/PE
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ITEM RZ1.5 – CHANGES TO LOCAL FINANCIAL CRITERIA – VENEZUELA

M/370 PAConf adopted the changes to Local Financial Criteria for BSP Venezuela as set out in Attachment 'A' for implementation 1 January 2017.

ITEM RZ2.1 – CHANGES TO LOCAL FINANCIAL CRITERIA – FRANCE

M/371 Conference adopted the changes to Local Financial Criteria for BSP France as set out in Attachment 'A' for implementation 1 January 2017.

ITEM RZ2.2 – CHANGES TO LOCAL FINANCIAL CRITERIA – RUSSIA

M/372 PAConf adopted the changes to Local Financial Criteria for BSP Russia as set out in Attachment 'A' for implementation 1 January 2017.

ITEM RZ2.3 – CHANGES TO LOCAL FINANCIAL CRITERIA – AZERBAIJAN

M/373 Conference approved the changes to Local Financial Criteria for BSP Azerbaijan as set out in Attachment 'A' for implementation 1 January 2017.

ITEM RZ3.1 – UPDATE – INDIA JOINT BANK GUARANTEE IMPLEMENTATION

M/374 Conference was pleased to note the progress reported in the agenda paper and the update from a member that the India JBG had been successfully implemented in the market by two travel agents' associations TAAI and TAFI effective 1 July 2016 without any problems to date.

M/375 The Chairman thanked the member for the update.

ITEM RZ3.2 – CHANGES TO LOCAL FINANCIAL CRITERIA – NEPAL

ITEM RZ3.3 – CHANGES TO LOCAL FINANCIAL CRITERIA – VIETNAM

M/376 PAConf agreed the changes to Local Financial Criteria for BSP Nepal and BSP Vietnam set out in Attachments 'A' to RZ3.2 and RZ3.3 respectively for implementation 1 January 2017.

ITEM RZ3.4 – CHANGES TO LOCAL FINANCIAL CRITERIA – INDONESIA

M/377 Conference adopted the changes to Local Financial Criteria for BSP Indonesia as set out in Attachment 'A' for implementation 1 January 2017.

ITEM RZ3.5 – CHANGES TO LOCAL FINANCIAL CRITERIA – PAKISTAN

M/378 A member from the local market presented this item for changes to LFC Pakistan which had been unanimously endorsed by APJC PK. The main thrust of the changes aimed at strengthening the requirements for agents coming into the market to ensure they were of an acceptable professional standard. There was also a proposed change to increase the Financial Security for new agents from PKR 7-10 million.

M/379 The Chairman commented that Staff Qualifications had been removed from all LFC some years ago and sought legal advice on this matter. Mr. Lugo advised that there were a number of issues with the proposed changes, specifically with respect to staff qualifications where members would recall the settlement with ECTAA concerning the complaint with the European Commission that staff qualifications could be considered something that would be a barrier to entry. As a result staff qualifications were struck from the LFC and the onus was on the travel agent to determine the qualifications of the staff they employed. To be consistent

with the policy of the Conference he believed that the proposed text relating to staff qualifications should be taken out.

M/380 The member from the local market wished to put on record that this had been included at the request of the agents, and the airlines had agreed to it, not the other way around. The idea was to stop agents coming in who did not understand the trade and had no professional qualifications.

M/381 The Chairman thought the idea was commendable but at the same time it was for the travel agent to determine how many and what staff they employed. Having had a court case against IATA for putting into resolution text a requirement for training staff, that had since been removed and training and qualifications had been left to the individual agents ever since. This would be the first instance of reintroducing that, it would be against the advice of IATA Legal and in his view it would be foolish to do so.

M/382 Mr. Lugo raised two other comments on the proposed criteria. Section 1 required that the applicant must have conducted travel agent business for 36 instead of 12 months. IATA Legal thought that a 36 months' minimum application could serve as a potential barrier. In addition the minimum Financial Security for a new agent had been raised to PKR 10m (approximately \$95,000) which again could be viewed as another barrier to entry.

M/383 The member advised that it would be possible to remove the staff qualifications if that was the problem. Although APJC PK had unanimously agreed that new agents should have conducted business at 3 years as a minimum, it was also possible to lower that however one year was considered not enough for their market.

M/384 The Chairman did not wish to see Conference changing a unanimous proposal on the fly and PAConf was not qualified to assess the local market situation. He asked whether there would be any opposition to the proposal as it stood if he was to take a formal vote on it now.

M/385 Mr. Lugo stated that there would be opposition from IATA Legal. Perhaps one of the issues could be acceptable, but not all three of them. He respectfully requested that the proposal be sent back to the APJC for further study and he would be happy to coordinate that.

M/386 The Chairman advised that he would have difficulty rejecting the proposal as it had come forward unanimously from the APJC. He asked the member to take it back to the APJC for further review and meanwhile Mr. Lugo would work with him to find something that was more acceptable to Conference. The Member agreed to go forward on that basis.

Action:	Mr. Lugo / Member
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ITEM RZ4.1 – CHANGES TO LOCAL FINANCIAL CRITERIA AMOUNT AT RISK CALCULATION FOR BSP CHINESE TAIPEI

M/387 Ms. Lu Shenmei explained that BSP Chinese Taipei had moved from bi-weekly to weekly remittance since 2011 but the amount at risk for calculating the amount of Financial Security had never been changed to take that into account. The APJC had therefore unanimously agreed to change this in Local Financial Criteria as shown at Attachment 'A' to the paper.

M/388 Conference unanimously endorsed the changes to Local Financial Criteria for BSP Chinese Taipei for 1 January 2017 effectiveness.

ITEM RZ5.1 – CHANGES TO LOCAL FINANCIAL CRITERIA – YEMEN

M/389 PAConf unanimously adopted the changes to Local Financial Criteria proposed by APJC Yemen as shown at Attachment 'A' of the agenda paper, to be effective as from the date of reinstatement of BSP Yemen.

APJC Reports

M/390 Later in the meeting, a member recalled that in the past PAConf had been provided with detailed information on APJC activity by market, which he had found particularly useful. That information had not been made available for this PAConf. Another member agreed that that information was particularly useful to airlines in being able to see the composition of the APJCs and to see whether their airline participated. It could be that that information was buried somewhere in the Conference documentation but it was something that the airlines would be interested in having before rather than after Conference.

M/391 The Chairman confirmed that updated reports would be sent out with the Minutes and posted to the website. In the future, the summary would be provided as part of the published agenda under 'T' items.

Action: Secretary

AGENDA ITEM T1 – AGENCY ACCREDITATION ACTIVITIES

M/392 Mr. Rodriguez provided a brief summary of the Accreditation Reports submitted from the regions. Overall, although there were slight increases in the number of agents in some regions, there were decreases in others. On balance, the numbers were at standstill, neither growing nor decreasing. However, when compared to the sales volumes – which were not shown in the reports – these were increasing at 2.5% year on year.

M/393 A member asked whether it would be possible to have a one page summary showing the consolidated numbers for all regions combined because it was very hard to do that as each report was a little different.

M/394 Mr. Rodriguez agreed to provide that for the next Conference.

Action: Secretary

M/395 The Chairman noted that new applications for Europe looked disastrous, at minus 25%. Mr. Martinyuk explain that during the last two years regional management in Europe had been very concentrated on preventing bustouts and were therefore being very stringent in vetting new applicants. The figures shown here were a direct result of that activity.

M/396 Mr. Rodriguez reminded everyone that with NewGen ISS it was expected that accreditation volumes would increase by about 10%.

M/397 Conference noted the reports T1.1 through T1.5.

AGENDA ITEM T2 – EFFECTIVENESS STATUS OF RESOLUTIONS ADOPTED AT PACONF/38 AND BY MAIL VOTE

M/398 Conference noted the effectiveness status of the various resolutions set out in the agenda paper.

M/399 Asked about the Mail Vote schedule for the next year, Ms. Pettersson advised that that would depend on when Conference would be held. The Chairman advised that there would be a regular conference in September or October 2017 to reconfirm r8xx and the rewrite of r890, the Tie-in resolution and anything else on global insurance or EasyPay, together with the results of any trials

M/400 Ms. Pettersson put forward a preliminary schedule for Mail Votes in 2017, based on the tentative dates for the next PAcConf.

M/401 It was agreed that the final schedule would be published in due course.

Action: Secretary

AGENDA ITEM T3 – STATUS OF NEW BSPs

M/402 Mr. Rodriguez provided an update on new BSPs in scope at this point, some of which had been addressed earlier during the meeting. He was hopeful that it would be possible to move a handful forward next year, and possibly 1-2 this year, but cautioned that these were not easy markets.

M/403 The Chairman highlighted that Algeria had been under feasibility study for at least 10 years. He asked what exactly the problem was and why were things not moving forward.

M/404 Mr. Kostic confirmed that Algeria had been at the top of the list for many years and IATA was in constant communication with the authorities to get the BSP established. At the time being, they were waiting for an MoU to be clarified with the authorities as without that they could not implement the system. At the last meeting a few months ago some convincing statements and compromises had been given and the expectation was that the MoU would be forthcoming in 2016 to enable them to move forward.

M/405 The Chairman remarked that year after year the same reason had been given as to why progress was not being made. A member reported that about 2-3 years ago, it was his understanding that there was some sort of payment scheme which had been guaranteed by the Algerian government and as a result they were extremely unlikely to approve a BSP as that would undermine that process. He recommended that IATA investigate whether that was the reason why the authorities were not going forward.

M/406 Neither the Chairman nor IATA Regional Management were aware of that. Mr. Kostic advised that as far as he was concerned, the key was to have the MoU recognized by the authorities. IATA would do whatever it could to provide an update as soon as possible.

M/407 Conference noted the report and the Chairman asked that new BSPs be a regular topic on the PSG agenda.

Action: Secretary

AGENDA ITEM T4 – STATUS OF AGENCY INVESTIGATION PANELS (AIPs)

M/408 PAcConf noted the status of AIPs in Area 2, as all AIPs in Areas 1 and 3 had been disbanded.

AGENDA ITEM T5 – OFFICE OF THE TRAVEL AGENCY COMMISSIONER

M/409 Conference agreed with the Chairman's suggestion that as in previous years, the TAC report would be referred to the PSG and the Steering Group would come back with any recommendations for change to next year's Conference.

M/410 Mr. Lugo believed that the Travel Agency Commissioners were performing at a high level. By and large they were doing a good job and their decisions were well reasoned. Whilst IATA might not always agree with a decision, if it was well reasoned IATA would accept it because the process of challenging was very expensive. When IATA did ask the TAC to reconsider a portion of their decision, the TAC might not always change the decision but they did entertain the request and provide reasons why they may not change their decision.

M/411 The Chairman wanted it to be recorded that Conference considered that the Travel Agency Commissioners were doing a good job and were a very useful intermediary step that saved everyone a lot of money.

Action	Chairman/PSG
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AGENDA ITEM C1 – ANY OTHER BUSINESS ITEMS

M/412 Conference agreed to take one Any Other Business item, item C1.1 as detailed below. If adopted, this item would be subject to Mail Vote post-conference for those members not attending.

AGENDA ITEM C1.1 – CHANGE TO LOCAL FINANCIAL CRITERIA - BANGLADESH

M/413 Clarifying that this item had been unanimously approved by APJC Bangladesh, the Chairman took a vote and Conference unanimously endorsed the changes to Local Financial Criteria for BSP Bangladesh effective 1 January 2017 as shown as Attachment 'A' to the agenda paper.

M/414 The Chairman again reminded members that this item would be subject to Mail Vote post Conference for members not attending.

Action:	Secretariat
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AGENDA ITEM C2 – EFFECTIVENESS DATES OF RESOLUTIONS ADOPTED

M/415 Conference agreed on an expedited effectiveness of 1 January 2017 and a regular effectiveness date of 1 June 2017, unless specified otherwise under the individual agenda items.

AGENDA ITEM C3 – ELECTION OF CONFERENCE OFFICERS

M/416 To a round of applause, Mr. Christopher Gilbey was re-elected Chairman of the Conference for another year and Mr. Armin Venencie from Delta re-elected as Vice Chairman.

AGENDA ITEM C4 – DATE AND PLACE OF NEXT MEETING

M/417 Recognising that there were a considerable number of items that had been referred to PSG, the Chairman believed that it would be necessary to hold a full meeting of the Steering Group before the end of the year. Subject to confirmation, it was agreed that PSG would meet on 28/29 November 2016, and new members were welcome to attend.

Secretariat Note: Subsequently, the date for PSG/97 was confirmed for 21/22 November 2016 at the IATA Office in Geneva.

M/418 In his closing remarks, the Chairman advised that due to the importance of New Gen ISS on the agenda, this Passenger Agency Conference had deliberately been scheduled during the World Financial Symposium (WFS) to enable other airline members attending industry meetings to attend. However he had been disappointed that no one from FinCom or FinDev had bothered to come to Conference, which led him to believe that PAConf did not need to be attached to one of those other events.

M/419 He believed that PAConf was big enough and important enough to stand on its own feet, if that was the wish of the Conference, or they could continue to be attached to the WFS. One obvious disadvantage in that, as evidenced at this Conference, was in getting papers revised and distributed to PAConf on site. The downside was that PAConf would have to meet in GVA. He asked members how they would like PAConf to be organised next year. On an informal vote, 20 members voted in favour of holding PAConf as a standalone event, whereas slightly fewer would like to continue with the attachment to WFS.

M/420 On that basis, the Chairman thought that the next PAConf would most likely be held in September next year with the venue yet to be determined.

M/421 A member raised an issue with PAConf being held this year with WFS and that the information about PAConf delegates being able to attend WFS events free of charge had gone out too late for delegates to take advantage of that or change their initial registration. The Chairman advised that such information would be given out as early as possible next year should the event be held again in conjunction with WFS.

Action: Secretary

M/422 Before closing, the Chairman wished to pay tribute to Martin Ryan who was retiring from British Airways in the near future and this was the last time that Martin would be attending PAConf as the BA delegate. He thanked him for his contribution to the Conference and to the Steering Group for the past 16/17 years, and often helping Conference to come to a decision on difficult issues. On behalf of IATA, he presented Martin with a plaque to commemorate his contribution to the Programme, the Passenger Services Conference, the UK APJC and the industry as a whole. In a show of appreciation, Conference joined in a round of applause.

M/423 Mr. Ryan thanked everyone for their good wishes. He was looking forward to his retirement and wished everyone here all the best for the future.

M/424 Reflecting on the Conference, the Chairman felt it had been a good meeting. He thanked the airlines for having managed to make a very positive step down a new road and in the longer term they had made some big decisions this week that would be borne out in the next few years. He thanked members for their patience and forbearance in adopting a new resolution that would for the first time ever be published without a number and which would be incomplete. However, that had been necessary to ensure that New Gen ISS could move forward to the next stage.

M/425 It would be wrong of him to close the meeting without thanking the Secretariat for their hard work, in particular Mr. Rodriguez who had very ably taken on new responsibilities in the last year and his new role as Secretary to the Conference. He also thanked Lina Pettersson for taking on her new duties in such an efficient manner and for her excellent support and input to Conference. He also thanked the IATA team as a whole for their hard work, which was much appreciated.

M/426 On this note, the Chairman formally closed the Conference at 10.00 hours on Wednesday, 21 September 2016 and asked PSG members to reconvene after a short break.