



28 April 2017

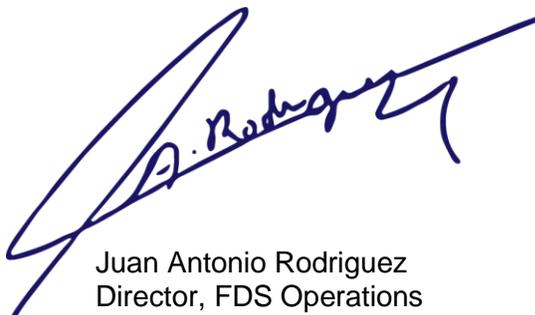
M E M O R A N D U M

TO: Members, Passenger Agency Programme Global Joint Council

FROM: Director, FDS Operations

SUBJECT: **MINUTES - PASSENGER AGENCY PROGRAMME GLOBAL
JOINT COUNCIL (PAPGJC/27)
IATA Offices, Geneva, 16 February 2017**

Attached please find the Minutes of the **TWENTY-SEVENTH MEETING of the PASSENGER AGENCY PROGRAMME GLOBAL JOINT COUNCIL (PAPGJC/27)** held at the IATA Offices in Geneva on 16 February 2017.



Juan Antonio Rodriguez
Director, FDS Operations

**Twenty-seventh Meeting of the
Passenger Agency Programme Global Joint Council (PAPGJC/27)
IATA Offices, Geneva, 16 February 2017**

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Important Note 1: This meeting is being conducted in compliance with the Provisions for the Conduct of the IATA Traffic Conferences. Pursuant thereto, this meeting will not discuss or take action to develop fares or charges, nor will it discuss or take action on remuneration levels of any intermediaries engaged in the sale of passenger air transportation. This meeting also has no authority to discuss or reach agreement on the allocation of markets, the division or sharing of traffic or revenues, or the number of flights or capacity to be offered in any market. Delegates are cautioned that any discussion regarding such matters, or concerning any other competitively sensitive topics outside the scope of the agenda, either on the floor or off, is strictly prohibited.

The foregoing applies equally to email discussions, instant messaging and social media discussions whether directed to announced participants or other parties not present in the meeting. Participants are reminded that live streaming of this meeting to parties not present in person is not permitted except as indicated by and with the express permission and knowledge of the Chairperson and IATA and only in the event that specific participation on a given item from a party not present in person is required. Unauthorized recording of the meeting is prohibited.

Important Note 2: The terms of Resolution 892 are applicable to this meeting. PAPGJC members are obliged to respect the confidentiality of all discussions, including but not limited to, the identity of and the positions taken by individual Members. In any event such positions and discussions must not be communicated directly or indirectly to the press or to any other Third Parties.

**Twenty-seventh Meeting of the
Passenger Agency Programme Global Joint Council (PAPGJC/27)
IATA Offices, Geneva, 16 February 2017**

MINUTES

ITEM 1 – OPENING OF MEETING

1. The Chairman, Mrs. Patricia George, opened the meeting at 09.00 hours on Thursday, 16 February 2017 and welcomed everyone to Geneva. She was pleased to see such a large turnout and some new faces around the table. She explained why she had had to turn down requests for others to attend as observers.

2. A copy of the attendance record is shown at Attachment 'A'.

ITEM 2 – APPROVAL OF MINUTES OF PREVIOUS MEETING

3. The minutes of PAPGJC/26 held on 6 September 2016 were approved as written.

ITEM 3 - SUMMARY OF ACTION ITEMS FROM LAST MEETING

4. The Chairman went through the summary of action items from previous meetings, noting comments on the following items:

PAPGJC/25

Ref. 2.6.1 – Rationale of a bond for ADMs – agent representatives continued to question the need of a bond for EP agents. The PAConf Chairman agreed that this should be a topic for the next PAPGJC meeting as it was worthy of more discussion.

Action:	NGI Team
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Ref. 10.3 – carried forward.

PAPGJC/26

M/200 – Secretary to ensure that there is a differentiation between TAC expenses and Agent Representatives attending PAPGJC meetings when the budget is presented at the next meeting

Action:	Ms. Vité
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M/245 – Agent Credit Risk Management Working Group – the first meeting of this group would be held in March.

PAPGJC/25

M/69 – Insurance scheme for airlines – it was agreed that Mr. Popovich would work with Mr. de Blust on disruption data to substantiate the claim that airline suspensions were having an impact on travel agents and travellers.

Action:	Mr. Popovich/Mr. de Blust
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During discussion on this point, the PAConf Chairman confirmed that NGI would only include those countries currently under r818g.

M/183 – GDSs to be reminded about the use of agent data at the TIP TAG meeting later in the day.

PAPGJC/24

M/5 – item to be removed

PAPGJC/23

M/87 – 24h rule/online booking – an agent representative reiterated that this was still putting agents in Europe at a competitive disadvantage visa-vis the US and he would raise the issue with the GDSs later.

M/100 – Airline suspensions and KPIs for measuring success – Mr. Popovich advised that one KPI already being used was about speed.

ITEM 4 - REPORT OF SVP, FDS

5. Before starting his presentation, Mr. Popovich commented that they had all been on an important journey together, looking at how to modernise the BSP under NewGen ISS so that everyone in the value chain would get a net benefit. He would be focusing his report on NewGen ISS, the recently announced organisational changes and the rationale behind those changes, the package for NewGen ISS and transparency in payments and what he called the notion of 'crossing the line together'. The PAPGJC had been working together on a path since June last year, and it was important to stick to that path and deliver the net benefit to everybody in the value chain – to the travel agents, the airlines, and the solution providers of which the airlines and the agents were customers. There would be a need for compromise, but he believed that the net benefit for all was positive.

6. Going into his presentation, Mr. Popovich reminded PAPGJC why they were doing NewGen ISS and that the new programme under NGI would provide three models of accreditation, IATA EasyPay, Global Default Insurance and Safer Selling. He was sure they would continue to have healthy discussions about RHC whilst ensuring that agents could continue to sell.

7. Moving on to the rationale for the recently announced organisational changes, he advised that he had been listening to the agents' and airlines' concerns about how IATA would be able to deliver a 24/7 Customer Service and 24/7 Agency Management Service with the current structure. NewGen ISS would mean a major increase in workload for the

IATA team and it had become clear that they would need to change the structure in order to realise the full benefits of NewGen ISS and provide a 24/7 service in terms of responsiveness by IATA. Another factor that had been taken into consideration had been the increased workload implications for the Remittance and Settlement teams within IATA with the introduction of IATA EasyPay. Therefore, if IATA did not change and kept the current centre/5 regional hub set-up, they would need to recruit additional resources at what would be an unacceptable additional cost.

8. Having set out the case for change, Mr. Popovich then summarised the new structure. Currently, there were 7 teams in 7 locations – GVA, YMQ, plus the 5 regional hubs. The impact of the change was not only on the 5 regional hubs but also the centre. The goal was to move from 7/7 to one team in 4 locations, realising the full benefits of NewGen ISS without increasing the cost of providing it.

9. In the new structure, IATA Financial Settlement would be migrated into 4 locations in Montreal, Madrid, Singapore and Beijing, migrating the hub in AMM to MAD during 2017 and the hub in MIA also to MAD in 2018. The presence of IATA in MIA and AMM would continue for the wider IATA agenda. In terms of the centre led by Juan Antonio Rodriguez, the FDS Operations centre would be migrated to be based in YMQ and MAD, with ICH, ICCS, Invoicing & Settlement continuing to exist in YMQ. The central team would be redesigned to be simple to do business with and closer to the operations. There would be no change in the accountabilities of Juan Antonio and his team.

10. By 2018 Financial Settlement would be managed by a centre based in YMQ and MAD plus a Global Delivery Centre with the MAD and SIN hubs working together to cover the globe. When the sun went down in MAD, SIN would pick up the baton. If there was residual work unfinished in MAD, SIN would pick that up. All time zones would be covered. BJS would continue as a regional hub for North Asia.

11. Business Continuity Plans were being developed for the transition and operations. The goal was to have the Global Delivery Centre fully in position by late 2018.

12. Mr. Popovich stressed that this was not a cost reduction exercise or FTE change. IATA had built up very good teams and would give people every possible opportunity to be part of the move. How would this affect NewGen ISS? This was NewGen ISS because NGI was about putting the right processes and tools and the right structure in place to get the full benefit of it.

13. A third topic he wanted to touch on was that they were all working together not only on NewGen ISS, but also on Transparency in Payments. He reminded PAPGJC of the agreement struck in YMQ. That agreement was very important for IATA because it had been communicated to IATA's Board on a number of occasions and based on that agreement, the Board had given approval of the budget to move forward with NewGen ISS, which was one of the biggest investments for IATA in recent times.

14. Going through the individual items of the June agreement, Mr. Popovich thought that the issue of trust was demonstrated by being consistent not only in what they said but also in what they did. IATA wanted to be consistent in honouring the agreement made in June and he was anxious to tick off what they had said they would do, as confirmed at the PAPGJC in September. Points 1-3 had been actioned exactly as agreed. Point 4 – pilots for Wave 1 countries to be conducted without enforcing RHC – was something IATA had

committed to do. Mr. Popovich added that if later any adjustments needed to be made, that would be done with everybody's agreement.

15. On point 5 – the RHC Working Group – work was ongoing and they would talk about that later in the meeting. For point 6 – it had been agreed to park that issue. Point 7 – proposal from the WG on Safer Selling – was to be submitted by end-March 2017 and, if they were unable to come to an agreed alternative solution, the current wording on Safer Selling would go forward to PAConf.

16. On point 8 – working collaboratively to support EP form of payment implementation and any other GDS requirements required for NGI – Mr. Popovich welcomed feedback later on how well they had done in terms of the agreement that they had all signed up to together – IATA, the airlines and the travel agents.

17. On point 9 – TIP TAG - there had been great movement and the group was working at a real pace, with another meeting the following day. There was a real commitment from the value chain to make something of this.

18. On point 10 – endeavour to define solutions to mitigate the risk of bust-outs – there had been progress in terms of the GDSs providing the capability for real time reporting. The top 3 GDSs had recently written to IATA to say they would be able to test this capability by June/July at the latest with the intention of having the capability in place by September. Some of the smaller GDSs were already there.

19. On point 11 – IATA to provide non-confidential information regarding the RFPs for EP and the Global Default Insurance – Mr. Stucker would confirm that later.

20. Therefore, Mr. Popovich felt they were progressing with what had been agreed last June and it was vital for everyone to stick with and honour that agreement because the train had left the station in terms of investment and resources. IATA was making changes to its structure because there was agreement to do this and it would not be possible to go back to the Board later saying they had a better idea.

21. Mr. Popovich then reminded PAPGJC of the principles agreed for transparency in payments and the roadmap shown during the Open Session at PAConf last October. Here, there was one change to advise, which had been agreed at PSG the previous day, relating to the date of PAConf. In order to allow more time to get everything right, PSG had agreed to move PAConf to November 2017. Therefore the effectiveness date of the new 8xx resolutions would also have to be moved back and would be 1 March 2018, which now became the implementation date meaning they were moving from indicative targets to a commitment to implement. The roadmap set out all the elements that would enable them to cross the line together on 1 March 2018 with the complete NewGen ISS package. The only way to do that was to stick to what they had agreed.

22. Crossing the line together would give net benefit to agents, airlines and payment providers but there was a trade to be done. He showed PAPGJC a slide of what this would mean for the travel agent community, what the travel agents would get from NGI and what they would need to give in return. He also had a similar slide for the airlines and the payment providers.

23. Concluding his presentation, Mr. Popovich stated that the package would unravel if one piece was missing. RHC was obviously still a major source of concern to the agents but IATA had tried to make it as practical and less burdensome as possible. However it was a compromise and the agents were giving acceptance of RHC as an integral part of a Safer Selling process which was now part of the new Global Delivery Centre committed to providing a 24/7 service and customer responsiveness. One of the design criteria for the GDC was to make Safer Selling work. He shared the travel agents' doubts that the Safer Selling process would work within the existing hub structure and that was one of the reasons why they had made this change.

24. An ECTAA representative thanked Mr. Popovich for the presentation. He thought they had agreed a kind of process with some defined goals, therefore so far, so good. However he was concerned about the last slide showing the net benefit for the travel agent community because IATA would need to convince the agents about the balance between what they were getting and what they were giving. They would need more substantial evidence that this was a balanced trade. He thought that the 'get' was something that the agents already had in some respect (i.e. they already had a choice of payment products and accreditation) yet they were being asked to give something back. Therefore IATA would need to work more on this to convince the agents of the benefits of NewGen ISS.

25. Mr. Popovich agreed. IATA had been working on RHC and would continue to do so. RHC was an issue on the airline side as well, as everyone – the airlines, agents, IATA – had revenue targets they had to meet. NewGen ISS was about the optimisation of benefits for all stakeholders and it was clear that they would need to do more work on the various elements to provide the travel agent associations with something better that would help them explain the net benefits to their members. The reason he had focused on this was that later in the agenda the travel agents would be presenting a paper that had been shared with IATA's Director General last December and he had simply been quoting from some of the statements in that paper as to what the agents benefitted from.

26. An UFTAA delegate thought it was very brave to do this kind of 'revolution' but there were some issues he wished to raise. Firstly, in respect of the agreement, the commitment was to agree, not to implement. He was not arguing about the direction but more about how RHC would work, how it would be calculated, implemented, when the formula would be imposed on specific agents. He truly believed that the formula was an issue and one of the very rare cases when the airlines and the agents were totally aligned. His fear was that RHC would affect agents that did not pose any problem. If it only affected agents that were problematic, his association would be one of the first to want to cut them off from the system. However if it affected good agents' sales, it would also affect airlines' sales and it would probably affect the big players in the market so he felt comfortable arguing also on behalf of the airlines. The concern was not about the credit limit, but that RHC would be implemented in the wrong cases and also affect good agents as well as bad. UFTAA supported the initiative and the creation of the RHC formula, and also agreed on limiting the credit when there was a danger point. However, when talking about Safer Selling, it should be remembered that this was already one of the safest business environments in any industry. He did not have a problem with the numbers, but how the RHC would be implemented.

27. The agent representative also expressed concern about the proposed changes to the organisational structure, fearing that as this would take place at the same time as implementing NewGen ISS, it would be too much for the markets and too much for IATA.

Also, changing the programme might open up Pandora's Box and open up legal issues in many parts of the world. The agent community also did not understand what the trade-off was on the airline side.

28. Mr. Popovich advised that they would talk about the formula later. On the net benefits, he had prepared a slide showing the net benefits for the airlines and GDSs and would be happy to share that with this group. In terms of changing the organisational structure, of course there would be a risk but here he wanted to make a couple of points. Firstly, it was critical to get the structure right to realise the benefits of NewGen ISS and therefore they had to do this. There was no other choice if they were to reassure the agents about making Safer Selling really work and being customer centric and responsive. In terms of mitigating the risk, he wanted to share with PAPGJC some of the internal thinking of IATA.

29. What was important here was the spirit in which the restructure was being done, which was for IATA to do its best to hold on to its people. This was not a staff reducing exercise. It was about intensive communication with staff, explaining the choices available to them, encouraging them to be part of the change, but fully respecting those that could not. That was an example internally of mitigating the risk. Juan Antonio and a number of others had spoken to their teams and in his view, whilst there was concern about personal livelihoods, there was also a real sense of loyalty and professionalism in the team, which was no surprise as it was a really great team. IATA would look at everything project by project to identify the SMEs that were needed to mitigate the risk. It was a risk that was being managed internally. He believed it was possible to do it, and stressed that it was something that had to be done to realise the full benefits of NGI, however he thanked the agent representative for raising the issue.

30. Another agent representative asked for more information about the Global Default Insurance being a cost effective financial security. Mr. Popovich advised that he had been quoting from the agents' paper where it referred to an efficient, low-cost payment platform. Whenever a set of principles or an open standard was introduced in a market, implicitly that created a more competitive environment and more choice and they would be talking more about that later in the meeting.

31. Asked again by the agent representative if there was more information that they could give to their members in respect of a more cost-effective financial security, Mr. Popovich agreed to take that up with the team to see what supporting information could be provided on the Global Insurance Programme.

Action:	Mr. Popovich/NGI team
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32. Mr. Rodriguez commented that the slides were at a high level. If they went into the conceptual level, they would have to assume that if the Global Default Insurance was going to be effective and attract customers, the main reason a customer would move from one provider to another was usually because of the price. If the GDI was going to be effective and have volumes behind it, the assumption was because it would be cost effective. IATA did not have the numbers yet, and it was probably correct that it might be more cost effective country by country and location by location, but this was a global view and they would not see the impact country by country until the programme was implemented. The earliest implementation would be March 2017. He thought IATA would be able to share

solid numbers with PAPGJC very soon, but IATA did have high expectations that at a global level it would be cost effective and the agent associations would be able to prove that to their members.

Action: NGI Team

33. A WTAAA representative thanked Mr. Popovich for an excellent presentation. For the minutes, he thought that the commitment to the agreement was looking very good. That was a big issue raised by Mr. Popovich with the agent side of the room on a regular basis. He felt they were on a really good track and he hoped Mr. Popovich would feed back to the Board as that was an important aspect that should not go without some commentary.

34. The agent representative recalled having worked on a joint value proposition for NDC, which had failed to fire, and he was sensing here that this was the joint value proposition for NGI but felt they were not going to get over the line with what was on the table right now. If they were going to cross the line together, they would have to think about a value proposition that brought the 3 parties in as one rather than showing what the individual parties got from it. Right now, he would have to say that if that was what the agent associations had to take back to their members as the value proposition for NGI, there would be a new set of agent representatives sitting around the table at the next meeting. He was surprised that this was where they were and would have expected there would be more to say about NGI. They would need more to convince existing IATA agents of the benefits of NewGen ISS. Right now, there was not enough there and there was work to do.

35. Mr. Popovich thought that was a very important point but reiterated that his presentation was at a high level. To the point about the work done on the value proposition for NDC, he thought perhaps they should consider doing some work together to make the value proposition more robust, and giving full visibility to everybody in the value chain. He agreed there was an action to get more substance into the message, but only the travel agent associations could write the value proposition for their members. There was therefore a very important action to produce a credible value proposition written by the agent associations for their members with IATA's support.

Action: Travel Agent Representatives/IATA

36. An UFTAA representative commented that for the roll-out of the Global Insurance Programme, different countries had different regulations. IATA imposed the insurance companies that the agents had to work with and in the Kenya market there had been serious challenges. Therefore whilst this was being done at a global level, it would be good to respect different countries' legislations so that they did not face unnecessary challenges because at the end of the day it was the agents who suffered, not the airlines or IATA.

37. Ms. Simoes reiterated that the introduction of GDI was purely optional and it was just making available to agents an additional financial security type. It would be *up to the agent* whether to choose it or not. The cost would be between the insurance provider and the agent individually but early indications were that it would be very cost effective mainly because the insurance did not require any collateral. However, it would be up to the agent to decide and IATA was not taking away any of the insurance products that existed today.

38. The Chairman was pleased with the discussion because she had heard some interesting things. There was an overarching need for the travel agent associations to take back to their members some real constructive information and they were willing to work further with IATA on a more robust proposition going forward. In addition, there had been no argument with the direction of RHC but they would have to know how it would be implemented. She was also heartened to hear the agent representatives' commitments made to the agreements reached in YMQ and LON.

39. Returning to the value proposition, Mr. Popovich commented that there was a lot of passion about r890 in its current form and the need for change and he had probably undersold the value proposition. If people saw the removal of r890 and modernisation of the forms of payment as a little thing, that did not reflect the amount of energy that they were putting into NewGen ISS and they would need to look at that again.

40. On r890, an UFTAA representative felt that the area which was vague was PCI DSS compliance. Many agents saw that as a great benefit in going forward with NGI, but it was not clear what agents needed to do to implement PCI DSS. He thought that should be made clear within the package because this was a very important issue for the agency side. Mr. Rodriguez advised that they would talk more about PCI DSS later and discuss how they would work together to communicate better on that issue. It was important to separate the value proposition from how they would accomplish some of the logistics around it. He agreed with Mr. Popovich that the value proposition here was with Transparency in Payments, how they would work with the open standard, and the other possibilities it brought to travel agents around the world. Given the tremendous amount of work done on this, he could only assume that the changes that NGI would bring would be of great value to the agency community.

ITEM 12 – NEW APPROACHES TO THE GOVERNANCE OF INDIRECT AIR TRAVEL DISTRIBUTION

41. After a coffee break, the Chairman thought it would be a good idea to take item 12 out of order as this had a bearing on the previous discussion. This item was a submission from ECTAA/WTAAA presenting a study carried out by external consultants on New Approaches to the Governance of Indirect Air Travel Distribution shown at Attachment 'A' to the agenda paper.

42. Presenting the item, an ECTAA representative advised that he had touched on this study at PAConf in SIN and those that had attended would already have heard about what had been investigated, the way they had been looking into the programme and what they believed should be the approach for the coming years. He had been pleased to listen to Mr. Popovich's report earlier and agreed with most of what he had said. The first Passenger Agency Conference had been held back in 1979 and basically the governance model had not changed significantly since then. At the same time and as was abundantly recognised also in the NGI project, the market had changed completely in the way the distribution value chain operated and the entire value chain – airlines, agents, GDSs – looked completely different to 35 years ago.

43. Therefore ECTAA/WTAAA believed that whilst NGI rightly had been looking at a number of aspects related to the Passenger Agency Programme, in particular the risk management aspects and the accreditation model, the business rules governing the Agency Programme had been overlooked. Unfortunately these were very complex and obsolete in

their wording and the way in which the airlines and agents did business together in 2017. As an example, he cited r890 which described how credit cards were transacted 30 years ago and that wording was useless in today's business environment. If they were to look back at the bulk of the resolutions governing the airline/agent relationship, ECTAA/WTAAA believed they should be substantially re-written to make the rules more understandable, more agile and allow the programme to operate in a way that reflected today's business relationship in a more agile way.

44. NGI was a step in the right direction. The BSP and payment rules should be more open to innovation. On the payment side, the financial system was changing very fast yet there were still rules dating back to the 1980s. This did not mean adding another layer of rules, but considerably simplifying the rules with a view to making them more agile for the current financial environment.

45. In summary, the agent side was saying that basically in short NGI was a first good step in the right direction with a little fine-tuning. NGI would address a number of crucial issues, including a new accreditation model and certain aspects of new payment but it did not address the issue of governance. Today the distributors were entirely cut off from the governance which was solely in the hands of Conference and the airlines. The agent representatives believed that in the future, whilst recognising that for all issues where money was at stake the governance should be in the hands of the airlines only, when it came to all other aspects related to the governance of the Passenger Agency Programme the distributors could also proactively and positively contribute to that governance.

46. The agent representative reported that if it was up to him, he would reform the Terms of Reference of the PAConf following the Passenger Services Conference model, whereby the Conference was open to other stakeholders in the distribution value chain, i.e. GDSs and Travel Agents, knowing that at the time of making decisions the voting rights would stay only with the airlines. That principle was not being questioned.

47. To move forward ECTAA/WTAAA would like to propose setting up a small working group under PAPGJC composed of airlines and agents, with IATA secretariat support, to look at the study and recommendations, to see what might be achievable in terms of remodelling the governance in the short and medium terms. They were not aiming at a big bang but believed that changes in the governance would be introduced with a step by step approach with the aim of making sure that in 10 years' time the programme would still be there and still operating. ECTAA/WTAAA had serious concerns deriving from the fact that there had been a significant decrease in the number of accreditations, partly due to consolidation linked to macro-economic trends but at the same time there was also a degree of disaffection because a number of distributors did not find the programme fit for purpose or fit for their business model.

48. ECTAA/WTAAA were seeking a brief discussion of their report, and agreement to set up a working group which would come up with a roadmap to put proposals to PAC/40 with changes to the governance.

49. The Chairman thanked the agent representative for presenting the item and called for comments from the airline side.

50. A member advised that he had been part of the PAConf since 2004. Since then, a lot of improvements had been made to the programme. He remembered a time when there

had been more than 10 different sets of Sales Agency Rules, whereas now there were only Resolutions 800 and 818g, so a lot of work had been done to simplify the rules and make them as clear as possible. He did not agree that they were still living in the past. The airlines had been listening to the various elements that the agents would like to have such as a revised r890, disputes, r850p and so on, and improvements had been made to ensure the system was still fit for purpose. He agreed that they had to keep pace with the rapid developments over the past few years but they were moving forward with the new programme under NewGen ISS. Although it might not be perfect right at the start, they would have the ability to make amendments as they progressed down the path of transforming into this new world in which they were living.

51. Another member stated that the devil was in the detail. He agreed that the payment landscape had evolved but the party that was blocking developments was not one sitting in the room right now and had been blocking the introduction of a certain payment code for several months. Therefore it was not always the fault of the airlines, or the agents, or IATA, but elsewhere in the value chain where something was blocked because of self-interest. He believed that the Agency Programme was still fit for purpose, it was stable and worked efficiently. There were definitely possibilities for improvements in the resolution text and design of the programme but that was why they were all here sitting around the table today and why he had made himself available to attend the TIP TAG the next day, as had most of his airline colleagues. As to the suggestion of setting up an additional working group, he did not see the value proposition for airlines because there were already the TIP and RHC working groups and he would not be able to put more resources into another group.

52. Another carrier felt it was difficult for her to judge as she was attending this group for the first time. She preferred to see what progress they could make by the PAPGJC itself rather than set up another group. An airline colleague also participating for the first time concurred with this view.

53. A member acknowledged that technology was developing fast and that had to be addressed in the proper way. When reading the paper, he regretted that it had not mentioned the collaboration done by this group including the setting up of working groups on RHC and TIP. Therefore they were not doing nothing, they were moving forward and making improvements. The collaboration amongst the PAPGJC was very good and had improved considerably since he joined the group 2 years ago, when the atmosphere had been very different. Now, he felt that the PAPGJC was working well together in one direction and like his other airline colleagues, he thought they should see what they could achieve in this forum rather than set up another working group.

54. A further carrier, also quite new to this group, advised that over time he noticed that all issues were discussed at this group and all views taken into consideration whilst they strived to make improvements to address the changing situation. It was never just about the airlines but also for the agents and GDSs. In respect of the paper, there was no specific proposal and a lot of the issues were already being addressed, as mentioned by his colleagues, and a lot of work was in the pipeline and would come naturally. He thought they were doing pretty well and the working groups were doing some very important work which was about to complete. He was not in favour of setting up another working group, as too many would create confusion. The fewer the number, the easier it would be to control and monitor, and participate in.

55. The Chairman thanked the airlines for their feedback and asked if there were any comments from the agent side.

56. An UFTAA representative thought the report contained some highly important issues that should be discussed. He would put the issues in one basket and the structure in another basket. There were many issues that were very important to the agents' side of the table and he would like to see these discussed, rather than a straight yes or no on the whole package because these issues did need to be tackled.

57. Mr. Popovich advised he would respond with a few comments and then request a short time out. Having listened to the airlines comments in respect of governance, he felt they tended to talk without talking about their objectives. There were no arguments with the objectives of simplifying and modernising the programme and unless he was missing something, there had been real movement. He would agree with the airlines that the atmosphere in the PAPGJC was good and they were beginning to make progress in what mattered for the industry. He could see alignment on the objectives, but they needed to talk about the roles and responsibilities in the value chain. Whether they liked it or not, the governance was what it was. The GDSs were solution providers, and their customers were represented around the table. Any governance had to reflect the R&R in the value chain otherwise there would be confusion. The airlines and agents were the customers of the payment providers and the GDSs. They should also ask, what was the relationship between the airlines and travel agents? Is it customer or principal/agent relationship? Before talking about governance, they had to be clear and straight with each other about the R&R otherwise the governance would not work.

58. Mr. Popovich reported that there had been a long discussion about this paper at PSG. PSG had also looked at all the other proposals in the paper and the feeling was that there were a number of positive elements in there that were not only the right thing to do, but they were already doing it. For instance, automation of the agency risk management process – they were doing that and were moving from a manual to an automated process. Further illustrations were the new accreditation models, recognition and acceptance of other methods of payment, removal of airline bilateral guarantees. There were things in this proposal where they could say there was common ground, and already being done. There were other points where the feeling was one of reluctance and on the point of governance, the feeling was why could they not make the existing governance work rather than add another working group to what already was literally hundreds.

59. Mr. Popovich had asked the Chairman for some time out, because the agents had used the analogy of PSC and PAConf. Although the agents were not questioning the decision-making right of the airlines, they were suggesting having other parties there as observers. He would like some time out before they reacted to that to see if that was a viable or acceptable proposal, or whether there were legal implications. He recalled that in the past there had been Open Sessions at PAConf where Conference was suspended to allow for the agent representative to present. The session last October had been a very robust session which he had found very valuable. Therefore there were things that they could look at but before going any further, he wanted to talk to the PAConf Chairman on that particular issue.

60. After a short time-out, the Chairman turned to Mr. Popovich to inform everyone of what had been discussed.

61. Mr. Popovich confirmed that they were aligned on the objectives of simplifying and modernising the value chain. There were a number of objectives and the objectives would drive the governance. As he had mentioned, there were a number of issues in the paper that were already moving forward and he planned to put that in writing to set out the action that was being taken and the owner within IATA responsible for that activity, to give more visibility.

Action: Mr. Popovich

62. There had been a long discussion on governance and reflections on the analogy with the PSC, recognising that the PSC and PAConf had different objectives. He asked the PAConf Chairman to respond on this item.

63. The PAConf Chairman started by saying that, being the oldest person in the room, he felt that he had some experience to convey to this group. IATA was a strange being, established under Canadian statute, a quasi-governmental agency. The industry was delegated with doing all sorts of things the governments felt they could not do on their own. Major changes to the way Conference worked would require a lot of legal paraphernalia before it could be enacted. The PSC established standards and procedures without which the scheduled service network could not operate. All airlines conformed to the same standards and procedures developed and established through the PSC. It was not a contract but standards and procedures under which the industry operated. About 20 years ago changes were made to enable suppliers to be in the room during the Conference. Not once had they ever come forward to ask if they could have voting rights. They had been content to be there and had seen the benefits of being able to contribute to the discussion taking place.

64. PAConf was a completely different animal. First, it was a principal/agency relationship with a contract. There was no other industry in the world where there was a principal/agent relationship where the principal sat down with the agent to agree the terms of the contract. IATA Accreditation was nothing more than a licence to trade and that was what the PAConf established. He believed that the arrangements with the travel agents could and should always be improved and they had taken great steps over the last 20 years to improve things. The PAPGJC was recognised as being an important way forward for the industry. Of course, they could always do more at Conference but to do what was being suggested would require a change to the Conference Provisions, statutes, re-filing with other government agencies in the world, and they would have to get specific approval because today observers involving 3rd parties were not permitted. Personally, he believed they could achieve more by dropping that requirement and working instead to see what else they could do that would not require re-filing with governments or amending the Provisions, which would have to go to the AGM, require a 75% majority vote in favour, after which it would probably take another 5 years before they could do anything. That was why changes to the rules were not made without serious consideration and he urged them to try at all costs to avoid having to refile with governments.

65. He believed they should focus on how to improve things at Conference to enable the agents to get a better hearing whilst recognising that when it came down to the vote, it would always be the airlines only. They could look at open sessions, highlighting the items on the agenda that the agents wished to address. He cautioned again going down the path of changing the governance in the way suggested, as that would require a massive effort, it

would be a long drawn-out and difficult process and refiling with governments, and might not meet with today's competition requirements.

66. Mr. Popovich added that the relationship of the airline/agent was key and the objective of the PAConf was key because it was a principal/agent relationship. Talking about governance without sharing objectives made no sense to him. There was much they could do – for example the Open Session at Conference, with a clear structure and shared strategic objectives on how to move forward together outside the confines of the Conference.

67. Mr. Lugo highlighted the benefits and needs of the antitrust granted to the PAConf, which was essentially a body of competitors but where each body had an equal voice. That was very important and beneficial for the industry at large.

68. An ECTAA representative agreed with the comments that it was important to sit together to share objectives and about the complexity of changing the governance structure. However he could not agree that this was a principal/agent relationship, and that relationship had completely changed since the structure was originally set up. The PAConf Chairman responded that IATA agreement and the PSAA provided a licence to trade. That was embodied in a principal/agent agreement that was signed by the agent before it then negotiated contracts with the airlines to provide tickets. Behind it was the principle of a principal/agent relationship.

69. An UFTAA delegate stated that if there was a problem to let the agents into the room at Conference, maybe they needed a different mechanism. The agent contingency felt that their voice and opinions were not taken fully into consideration before resolution changes were agreed by PAConf. They wanted to be heard more clearly in advance so that they might be able to influence the decision-making. If there was a problem for them to be at PAConf, they should find an alternative solution because right now there was no built-in mechanism for this to happen.

70. The Chairman advised that it was her intention that this group see every item going to PAConf and when the agent side did not agree with any item, their opinion would be conveyed to Conference. In her view, the agents already had more opportunity for input through this group than they would have as observers at Conference.

71. Mr. Rodriguez believed that the atmosphere at PAPGJC meetings these days was much improved, with the creation of different groups such as the TIP and RHC working groups where they were working and consulting together to come up with standards for the future. In his opinion having the ability to shape the future for the industry in the years to come through this group was more valuable than having observer status at PAConf. Therefore it would make more sense to reinforce that and build on what they already had.

72. The ECTAA representative tabling this item thanked the Chair, IATA and the airlines for their openness to have this debate which had not taken place in the last 5 years at least. He had welcomed and listened with interest to the airlines' comments and understood there was little appetite to create another working group to look at these issues. At the same time, the last half hour had illustrated how complex these things are. The arguments were not new to his ears, and he respectfully disagreed with the legal nature of the airline/agent relationship. As far as Europe was concerned, the legal framework had changed, particularly when it came to competition law. Therefore saying they were still under a

principal/agent relationship had also changed. The NGI process had shown how important it was to consult and have input from both parties because if there was no agreement on the final product, Conference would probably adopt it anyway but the final product would be difficult if not impossible to implement because one party would say they were not interested. NDC was almost a perfect illustration of a lack of initial consultation without considering the commercial needs of the industry. There had been no initial consultation or in-depth engagement with both sides of the industry and as a result NDC would one day come into being in a totally different format.

73. The agent representative advised that the proposal to set up a working group to consider all the governance issues would remain on the table although he took heed of the PAConf Chairman's advice that the terms of reference of the Conference would probably not be changed. Having said that, they could probably look at other solutions, perhaps the terms of reference of the PAPGJC or the PSG to see how these bodies could better interface together with a view to having better dialogue. In private conversations he had mentioned the possibility of having a joint working session of the PSG/PAPGJC to ensure that the airline side of the table did not have to listen to the same things twice. Another suggestion was for r860a to reflect what was in place on the Cargo side, where Conference decisions had to be further considered by PAPGJC before being implemented. It was difficult for the agent representatives also to attend all the working groups but because they considered the issues at stake were paramount, they needed to find a mechanism and he understood from Mr. Popovich that there was encouragement to look at these issues. It did not necessarily need to be a working group, the agents were prepared to make proposals to Conference and would prefer to see how they could change things with a step by step approach. If RHC had been discussed in a different way at an earlier stage, they could probably have avoided the discussion in YMQ. He thanked everyone for allowing discussion of this item and felt it had been a very productive session. He hoped that the conclusions would lead to a strengthening of the dialogue which was essential for the long-term continuation of the programme.

74. A carrier felt that the agency community had a clear voice at Conference, either through the PAConf Chairman reporting their views on specific items, or in an Open Session such as in SIN last year and previous years. The airlines and agents had the same objectives and he had very much appreciated, for example, hearing the agents' concerns about the RHC formula when they had initially opened the airlines' eyes as to what the consequences of that could be. From his personal perspective, at the beginning of NGI he had not been that interested in RHC or Global Insurance because it would not hurt his carrier. He had been more concerned about the outcome of IATA EasyPay which would be at a cost for the airlines but gradually he became more interested in the new accreditation model, how the RHC was being developed, and the advantages of GDI. He had definitely been influenced by discussions at PAPGJC to look more carefully at what was presented at the end. Although the airlines and the agents would not always agree 100%, it was clear they were working hard together for the betterment of the industry.

75. An ECTAA representative did not think they should complicate an important issue more than necessary. They all agreed that the working groups had been progressing well on some important areas. However the airlines and agents were in a more competitive environment than 5 years ago. The PAPGJC was an important formal body with its own objectives and he personally felt that they needed a strategic committee under the control of the PAPGJC where all parties could meet and discuss strategic items of common interest

aimed at increasing the sales of airline tickets. No such forum existed today and he was sure that it must be possible to construct such a body.

76. An UFTAA delegate suggested that perhaps PAPGJC could meet with PSG once a year in a joint session before PAConf and he asked that this suggestion be forwarded for discussion to PAConf so that Conference would be aware of the feelings on the agency community.

77. The PAConf Chairman put forward another suggestion. He proposed sharing the conference agenda with PAPGJC which would give the agents an opportunity to comment on any particular items, and as in the past the agents would have time at PAConf to make presentations. Over the years there had been some good and some awful presentations, but last year it had been an excellent session, with Q&As afterwards. He suggested possibly restructuring the PAConf agenda, giving the agents time to identify those items they wished to address at Conference and then publishing the agenda with those items as the first to be addressed on the Conference floor. Conference would be opened in formal session as usual and then suspended to allow the agents to come into the room and begin the Open Session, with a Q&A on each item raised. The agents would then leave, Conference would re-open and the results on those items would be communicated to the agents afterwards. It was worth trying, but the crux would be in establishing the agenda items the agents wished to address.

78. The Chairman asked the agent representatives to think about the PAConf Chairman's proposal over lunch. After lunch, she asked if there was agreement to proceed on the basis outlined by the PAConf Chairman, namely that in order to respond to the agents' concerns, there would be a pre-Conference PAPGJC meeting as usual, with the aim of reviewing the agenda in depth and allowing time for the agents to comment on any item. The agents' views would be transmitted to Conference and at the same time the agents would identify specific items for discussion during an Open Session that would be held shortly after the formal opening of PAConf, using a similar format for an agent panel session at PAConf last year in SIN. The agents would have an opportunity to present their points of view on the specific items identified during the agenda review and there would be a Q&A session after that.

79. PAPGJC agent representatives unanimously agreed to participate in a panel at Conference after the formal opening of PAConf, similar to in SIN, for discussion and presentation of their points of view on the specific items identified during the agenda review.

ITEM 5 – NEWGEN ISS PROGRAMME STATUS

Transparency in Payments (TIP)

80. The Chairman advised that this item would start with an update on the TIP TAG and she invited Mr. Stucker to introduce this item.

81. Mr. Stucker reported that he was here to present the outcome of the TIP TAG along the lines discussed earlier. The TIP TAG was made up of many of the people here from the agent and airline sides, supported by members of the PMWG and the GDSs. His personal view was that so far they had had four extremely constructive sessions, and there would be a further meeting of the group the next day. Although people had doubts at the beginning,

the group had come to the same conclusion, which he thought was remarkable considering the diversity of the group.

82. Mr. Stucker advised that he would present a summary of the items from the 4 sessions, and the next steps forward. He then took PAPGJC through the presentation, firstly reminding everyone of how the BSP was designed and what were some of the key concepts in respect of customer payments versus Airlines' Fund Transfers, meaning where the travel agents held monies in trust for the airlines, remitted those funds to IATA and IATA remitted them to the airlines. He then presented the proposed future state, moving from today's situation to the suggested future situation where Airlines' Fund Transfers included IATA BSP Remittance (Cash), IATA EasyPay and other Alternative Transfer Methods. It was important to look at the origin of the funds. The origin of the funds were again funds held in trust but here they were talking about Alternative Transfer Methods that could be in the form of an agent card, or a VAN in the future. There had been discussion in TIP TAG about giving this an alternative name such as 'digital remittances' but from a legal and contractual point of view it had been decided to keep to the original wording. When the origin of the funds was the passenger, it was considered to be a customer payment.

83. An ECTAA representative asked whether the future state also included the eWallet solution proposed by the GDSs. Mr. Rodriguez confirmed that the 'Alternative Transfer Methods' did indeed include all other current products, and the intention was that there would be an open standard for everybody to use. Mr. Stucker added that it would include also agent's own card and the products of the GDSs if they wished to participate, but there could also be other actors that they did not know about today.

84. An UFTAA delegate asked whether it would be available to corporate companies to pay with their own payment methods and if not, that should be clarified within the resolution. Mr. Stucker explained that this would be considered to be the corporate card of the customer and showed where that was covered in the flow chart. The UFTAA delegate clarified that he was talking about something completely different, where the travel agent had received the payment from the customer, and took the funds held in trust and paid the airlines.

85. Mr. Rodriguez clarified that the previous slide had shown the current state, where an agent's own card was not permitted. This slide was an attempt to show tomorrow's world that would come into effect in Q1 of 2018, as a result of what they were trying to build with the support of the travel agents and the GDSs to provide transparency. This was part of the value proposition.

86. A carrier added that the TIP TAG had reviewed whether the cross over an agent's card on the previous slide could be taken away but agreed it could only be when consent had been given by the airline. It could be that many airlines would accept but other airlines would not. The top line referred to when the origin of the funds was a customer's credit card.

87. An ECTAA representative reflected that that was not what was happening currently. Putting the use of the card in context, Mr. Lugo reminded everyone that paragraph 1.4 of r890 was in force but not enforced by IATA, but by the airlines.

88. Mr. Stucker advised that in the future it should be clearly identified when an agent was using his own card. They were moving into a world where there was transparency, so

if an agent was using an own card, it would be with the airlines consent. Ms. Simoes added that the intention was that at the time of ticket issuance the agent would either have BSP Cash, EasyPay or another way of identifying transactions issued with a VAN or corporate card of the customer and before issuance of the ticket the agent would have had the consent of the airline in question.

89. Mr. Stucker then presented a slide showing the Future State and 6 Guiding Principles. He explained that it would be an individual carrier's decision how they wanted their funds remitted to them, to make their own commercial decisions. Transparency was paramount, as was the robustness of providers. The recommendation of the TIP was that the open standard should be available to all providers who wanted to register a product. That would bring more choice over time and probably more competition. In respect of certification of providers, he advised that for the moment IATA was not contemplating doing the certification itself. That would probably go to an independent third party.

90. An UFTAA representative advised that this was a very welcome development in his view, as there were many new payment methods coming into the market.

91. An ECTAA delegate asked whether it would be possible for a card to be accepted by an airline but refused by IATA. Mr. Popovich reiterated that it would be a commercial matter for the airline to decide and it was none of IATA's business. An independent body would be providing the certification and it could be that some airlines would say yes and others would say no. It was very important here to wake up to what was happening in the world of payment in their industry. This was a genuine attempt to do the right thing for the industry, recognising that it was moving very quickly.

92. On the topic of certification, another ECTAA delegate reported that payment providers in Europe had to satisfy all the EU payment directives which were very strict. What would happen if the certification body told a provider that it did not satisfy their criteria despite complying with all EU legislation? Mr. Stucker advised that they were still in the thinking process about the certification criteria but would not want to re-do something that had already been approved by an authority. The thinking here was more about those countries where was not so regulated, with the objective of making sure both the agents and the airlines were secure with the payment provider. IATA did not want to add any unnecessary burden but if it was too difficult an area to tackle, it would be brought back and discussed together.

93. An ECTAA representative asked what would happen if an airline accepted a certain payment product but it was not registered with IATA or it did not fulfil the robustness criteria. Mr. Stucker advised that IATA would not decline but would probably request – and this was still under discussion, they were not there yet - a certification paper that might be obtained, say, from one of the big audit firms. Then they would be able to transact but outside of the scheme. It would not be possible to transact within the scheme if a certain provider could not satisfy the certification criteria. However, if the certification criteria were reasonable, those would be extremely rare cases. The objective of the system was to provide airlines and agents with the tools that they were comfortable to trade with.

94. To give some context to the objective of the certification, Ms. Vité explained that the intention was not to have a global certification because a payment product provider may not necessarily wish to provide a specific service in every BSP. This would be on an as-needs basis so part of the product information, and she believed this had been discussed by the

TIP TAG, was that each payment provider may provide one or more products, and for each product there would be information related to that product, that they would register as part of this process and that would include the geographic applicability. Each of the requirements, although there would have to be some generic requirements, had yet to be developed and therefore all of the input provided today would be very useful. It would take into account the fact that the product provider would specify the geographical applicability, each product would be specific to the consent provided by the airline in each market with each agent that the airline wished to do business with. That was the spirit of what had been discussed in the TIP meetings and that was where that came from. They were still at the principle level and not yet looking at any resolution text showing what the certification requirements would be.

95. Mr. Stucker reported that PSG had agreed that they should come back to the May meeting with draft resolution text reflecting the six principles and the draft roadmap, for voting on at PAConf in November and applicability in March 2018. There was a lot of work to do but they were on track. There was also a huge educational task to do with the PAConf delegates in the run up to Conference.

96. He then showed PAPGJC the roadmap of governance and TIP meetings which would allow them to cross the line together and have a vote on the new open standard at PAConf in November for implementation in March 2018. In terms of implementation and rollout, he believed that was probably something that could be included in the Tie In resolution, meaning that when NGI was implemented in a market, TIP would be implemented at the same time. It would be very ambitious to do a big bang rollout but that was something that would need to be discussed with PSG.

Action:	TIP Project Team
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97. Responding to an agent representative's comment that this was a very ambitious timeframe, Mr. Rodriguez could only agree. The team had been working for a good amount of time on this and were at a point where they had full clarity on what needed to be done for NewGen ISS and much more clarity on TIP and what was required to create an open standard in a TIP world. Now it was time for execution, which was March 2018 and IATA would look at how and what was needed for that to happen in order for that deadline to be met. IATA would put in all the resources necessary to make that happen and look at what else would need to be done, as there was one other party that had to make the effort to make that happen by March. His biggest fear was not IATA putting in the resources, and he had confidence in the airlines and the travel agents associations working together to make it happen, but they had to make sure that another party was also aligned and therefore they had to push from all fronts to make March 2018 a reality. If they were not aligned, they would fail. Therefore they all had to be clear about the potential area of downfall and what they needed to do to achieve the deadline.

98. Asked how the travel agents would be informed about the new registered forms of payment, applicability and airline acceptance, Mr. Stucker advised that that would be elaborated on later. They might continue with the TIP TAG to talk about the modality of the communication and that was why the dialogue with the travel agent community was so useful. What would be the best way for the travel agents? He believed they would want to avoid having to go to each and every airline and would prefer to have a one-stop shop

where they could see all the products for their markets and which airlines were accepting those products.

99. A WTAAA representative congratulated IATA in having the courage to put March 2018 as the implementation date. His association had attended all the working group meetings all over the world at their own cost to make this happen, so congratulations were in order. The one thing he thought that was missing, if the draft resolution was ready for PSG in May, was perhaps having a pilot. Perhaps that would also encourage greater participation by those parties that needed to be taking some action if there was the suggestion of some piloting with them along this journey.

100. An airline member reminded everyone that there would be another meeting of the TIP TAG the next day and there were still many open items. At the present moment there was no solid agreement yet, so although they were working towards this solution, they needed to keep in mind that they were not there yet. Mr. Stucker commented that he was not talking about the remaining hurdles. The spirit of the TIP had been extremely collaborative and in the next session they would be talking about the respective needs. Obviously from the airlines' side it was important to have their consent observed, and from the travel agents' side too, and probably many other things. The best way forward was to do this together and to listen to each other.

101. Mr. Popovich stated that this was putting a stake in the ground. What would it take to achieve the 1 March 2018 objective? As customers of the GDSs, he thought their voice would be very important tomorrow at TIP TAG in terms of being clear on what they wanted. He would stress that from 1 March 2018, the open standard would be effective. Who took up the standard was another debate. Between now and the PAConf the education requirement was enormous, including the education of IATA's own staff. He did not want to under-estimate the amount of education they would need to do with the value chain between now and November, because there was a risk if there was an airline delegate at PAConf that had not been educated on this issue. The alignment job to be done by everyone around the table was fundamental or else this milestone would not be met.

102. The PAConf Chairman agreed that everybody would need to sing one song tomorrow with the GDSs at the TIP TAG, to make it clear what needed to be done to get there and once they were there, to make sure that the GDSs agreed to register their products. If the GDSs would not agree to providing support and help to put together a comprehensive database, it would fail. Therefore they needed to pull together to push the GDSs to agree the open standard formula and to agree the registration process. Unless the GDSs came in with their products, the carriers would not use it.

103. A WTAAA representative reported that there had been disbelief on the part of the GDSs at the agreement reached in YMQ. Tomorrow, if they put up this slide, he thought the GDSs would be very surprised. If they could therefore entice the GDSs with a pilot concept, that would really be putting down a stake to say that they were serious about this. Before, there had been some scepticism because the GDSs had thought this was a big farce to get them to do real time reporting.

104. An agent representative observed that resolutions would be drafted for PSG in May yet there was no further PAPGJC meeting scheduled and there was a need to have another discussion before the draft resolutions were finalised. The Conference Chairman asked members to note the following key dates:

- PSG 12/13 September
- PAPGJC 14 September, possibly also 15 September, for review of the PAConf agenda with all the detailed resolution text.
- PAConf 20 November, Geneva

105. It was also planned to have a PSG on 23/24 May – to look primarily at the first draft of the comprehensive resolutions. If these were in sufficient format to go forward, it was probably worth considering a further PAPGJC between May and September but at this stage there was still a lot of work to be done in putting the resolution text together.

106. To reassure the agent representatives, the PAConf Chairman advised that he would refuse to have any detailed items relating to NewGen ISS or TIP on the 2nd Transmittal so that they would have time to review and comment on those items.

NewGen ISS Programme Status

107. Ms. Simoes provided PAPGJC with a presentation of the latest status of NewGen ISS, advising that more detailed information was contained in the agenda paper. Going back to the YMQ agreement, she reminded everyone that at the time it had been agreed that pilots of NGI would take place in the 2nd half of this year with the intention of having IEP available, with No Cash accreditation and the RHC without any enforcement, so it would be piloted without any restriction of Cash as a form of payment. With that in mind, the Project Team had reviewed the selection of the pilot countries with the PSG in November to get those countries agreed to enable the preparation work for the pilots to start. She put up a slide of the countries that PSG had agreed for the Wave 1 pilots, explaining that various factors had been taken into account in terms of defining the pilot countries, using a tool to assess the most applicable ones. One factor had been market size, as it was felt that mid-sized markets would be substantial enough to give good results without being too challenging.

108. Having finalised the selection process in November with PSG's endorsement, the Project Team had started various activities, including consultation with the LCAGs and APJCs in those markets, where the Local Offices had been asked to schedule meetings for Q1 of 2017 so that the markets could be formally notified. That activity was already in progress, with some markets already having scheduled meetings and others in the process of doing so, so that the markets would be informed by March. In addition, the team was working on other broader market communications bearing in mind that the notice had to go out per the Tie In resolution 4 months ahead of any Go Live and that timeline would be respected. Various activities were under way and a detailed communication would be sent out to all agents and that would be part of the due diligence prior to Go Live.

109. Turning to Global Default Insurance, Ms. Simoes reminded PAPGJC that the resolution was effective on 1 March 2017. Given that, there would be an earlier deployment and a different rollout for this new Financial Security type. Last November, Distribution Management had circulated to all PAPGJC members a briefing paper on GDI to address questions as to what this consisted of. She hoped that everyone had had a chance to look at that. For those that had not, she explained that GDI was a new and optional FS type. It was up to the agent if they wanted to choose this type of security or not, and there was no obligation on them to change to the new GDI.

110. Leveraging on the expertise of the MAD hub, 14 European markets had been selected for the launch of the GDI which was expected in mid-March. IATA was in the process of finalising the policy with the provider Euler Hermes and developing the final processes. There would be a portal where the agent could go online and request a quote. The agent would have time to assess the quote and decide whether they wanted to choose GDI or not. Ms. Simoes reiterated that there was absolutely no obligation once they did request a quote to accept it. However, as this insurance did not require any collateral, it was believed that this could be a viable option for a number of agents that had challenges today providing a security within the timeframes allowed in resolution. She showed a slide with the 14 markets selected for the initial rollout, explaining that after 4 months of piloting in those markets GDI would be extended to an additional 4 countries in other regions, again to ensure it was fit for purpose in all regions and all the processes were correct before proceeding with regional deployment. It was expected to be fully rolled out between now and the end of 2018.

111. An ECTAA delegate noted from the agenda paper that the Insurance policy was more or less ready, and if so he would appreciate receiving a copy because he anticipated there would be a lot of questions coming from his members. Also, he had tried to find the portal but that was not online yet so again he would appreciate knowing as soon as it was available. It was a matter of raising awareness and to make it a success, promoting it through more than one APJC channel. ECTAA could probably offer free promotion but would need some information, and therefore he would appreciate any information that IATA could provide that was not of a confidential nature.

112. Mr. Rodriguez confirmed that IATA would provide information as soon as possible. In respect of promoting GDI from IATA's point of view, this was another way of fulfilling a guarantee and IATA did not have a preference on one FS type versus another. For the promotion part, IATA could provide information for markets to be aware but IATA was not promoting but facilitating this product, as facilitated all the other products that helped agencies cover their FS needs. He wanted to clarify for the record that IATA was not promoting the GDI programme versus any other programme around the world.

113. Responding to ECTAA's request, Ms. Simoes advised that the policy would be signed by IATA and could not be disclosed publicly. When the agent accepted to go with GDI they would be given a policy quotation document containing the terms and conditions for the policy to see if they want to proceed. Whilst not promoting GDI above any other FS type, IATA welcomed any opportunities ECTAA may have in disseminating information to their members. IATA had prepared a first draft of a fact sheet that she would share with ECTAA and if they thought that was something valuable to provide to their members, IATA would be more than happy to provide that.

Action:	Ms. Simoes
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114. Moving on to the meat of the matter, RHC, Ms. Simoes presented the two calculations proposed by the RHC Working Group. The NGI team was looking for agreement here going forward on how to proceed with RHC, bearing in mind the overall timeframe and amendment of the effectiveness of the new resolution as March 2018. There had been agreement to pilot the 2 calculations but the goal ultimately was to have one resolution with one calculation that was clear and easily understood by the markets when

going live. As everyone could imagine, 2 calculations would be very challenging. First, however, she was looking for agreement in principle from PAPGJC on the RHC and asked if there were any questions.

115. An UFTAA member asked about other forms of financial security currently available in certain markets. Ms. Simoes clarified that, as set out in the Fact Sheet, it would be clearly indicated that GDI was an optional product and all existing FS types would continue. IATA would not be removing any existing type under NewGen ISS.

116. A WTAAA representative recalled that one of the things agreed in LON was that the agency community would undertake some legal opinion. WTAAA had taken that task on and was in the throes of obtaining a number of jurisdictional advice. Early advice from multiple jurisdictions had found in their opinion that the RHC concept would offend competition law. In some jurisdictions, WTAAA already had that advice. The advice indicated it would be difficult to find a suitable change to the concept for the RHC as it stood now to proceed in the jurisdictions that they had got the advice from.

117. All of the advice to date indicated that RHC represented a complex legal challenge to proceed. WTAAA was preparing a comprehensive submission to the Secretariat which would include the raw advice from the various jurisdictions. Obviously each of those pieces of advice would come in different forms because different jurisdictions articulated those things in different ways and he appreciated that they may then require some further internal consideration by IATA Legal, the Secretary and in whatever form it was shared with the airlines.

118. The agent representative stressed that he did not want it to be seen that in any way as an attempt by WTAAA not to continue with the collaborative approach. WTAAA had simply done what it had been asked to do, and given the significant nature of the advice, had felt it was important to put this on the table now because it may mean that the timeline that was currently agreed to in relation to the RHC WG coming up with a revised proposal may not be able to be met. Some of the legal advice might not have been able to have been consumed, adequately discussed and debated in order for them to be able to come to an agreement. Their concern was that the YMQ agreement stated that if there was no alternative solution by a certain date, they would proceed with the original proposal. They were now seeking leave to have that reconsidered because of the nature of what had been provided early on in the advice, and once they started to read the various pieces of advice, they would start to see why WTAAA was putting this on the table now. He was not tabling the advice today because of its significant nature.

119. As soon as practicable, WTAAA would collate and provide all of the advice to IATA. A possible way forward was perhaps to change the language in the resolution to the notion of the Safer Selling concept to try and capture bustouts, and would like some re-clarification that the real purpose of RHC was to capture bustouts, and not to move the agency community to an alternative FOP. He knew that would be the consequence of RHC but the agency community believed that its purpose was to stop or capture bustouts. In his view, the best way forward was to pursue the implementation of Real Time Reporting (RTR), which appeared to be on track based on what Mr. Popovich had said earlier about the GDSs response. Tomorrow at the TIP TAG or through the course of any other working groups, IATA had WTAAA's commitment to help with whatever was needed to get the GDSs to do that.

120. The WTAAA delegate went on to suggest that once RTR could be implemented, then a pilot should be run using the 100% formula as agreed during the RHC WG. WTAAA thought that the RHC or Safer Selling concept pilot should run once RTR was in place rather than doing the desk top exercise that was proposed at this point, to see how that would work operationally and have those results reported back. The rules could potentially be developed and put into r8xx Section 5 which perhaps could be referred to as Safer Selling rather than RHC whereby the Agency Administrator's ability to invoke r818g 13.2 would need to be incorporated in that Section 5. Basically WTAAA was saying that rather than the ability to switch off ticketing for Cash, if IATA was genuinely trying to stop a bustout, then IATA should be switching off ticketing and perhaps that proposal may be more amenable. WTAAA had not had a chance to discuss this yet with UFTAA, but that proposal was something that had been developed in the agents' pre-meeting the previous day.

121. WTAAA also thought there should be some consideration in relation to the 100% formula, suggesting that it could potentially become something that was established at a market level by the APJC rather than having a one number fits all markets approach. That approach had been successful with the global financial criteria guidelines and LFC reviews, and under the governance model the APJC was the responsible party for considerations of this sort.

122. WTAAA then suggested the enconcing of the change to r890 Section 1.4 to allow the consent for an agent's own card would be incorporated into the concept of Safer Selling and that was what they were looking to put up as an alternative proposal to keep everyone on the same path of being able to move forward while all the legal commentary could be digested.

123. An UFTAA representative raised the issue of cutting off an agent from the system when it had reached its limit. He believed that might raise legal issues in many markets if it were done by IATA. Instead, it would be much more acceptable if the system alerted the airlines and each airline could then make its own independent decision to stop ticketing or allow the agent to continue selling. He also suggested that IATA should look at the default cases over the last 2-3 years to see if any of them would have been prevented by using the RHC formula. Would this new structure really be a way of mitigating those risks? The data should be analysed to see if any patterns could be detected showing that a default was going to happen.

124. The delegate also commented that the Agent guidelines on RHC were boring and they would need something much more sophisticated for the agent community. The task would be better given to a marketing company.

125. Mr. Lugo thanked WTAAA for sharing their early advice and looked forward to receiving copies of all the legal opinions if they were prepared to share them. He understood however that they were covered by attorney/client privilege so WTAAA would need to take that into consideration when talking with their counsel. IATA had been working for a long time on NGI and he could certainly see that without the full context of NGI, RHC of itself could appear to raise competition law issues. That said, RHC was but one part of the total rewriting and redesign of the Agency Programme, and IATA Legal believed that within the context of the total redesign of the Agency Programme, RHC was not only competition law compliant but it also provided the industry overall with prudent financial control. It was very important to note that when RHC was designed as part of NGI, the legal team had very strongly insisted that RHC should in no way stop an agent from being able to

sell tickets, insisting that there must be options available for agents once they reached the cash limit. IATA Legal had not wanted the cash limit to be a full limit based on historic sales but had insisted that there be a variation in there, which was the flexible area of 15% and of course they were piloting 100% of variation for the RHC. IATA Legal had insisted on a number of things, such as the ability of an agent to make an early payment to pay down the outstanding balance, either in full or partially; they had insisted on the ability to use various forms of payment, which were the focus of the TIP TAG; and IATA Easypay was designed also as a way to enable an agent to continue selling. Therefore IATA Legal did not believe RHC raised any competition law issues in that context.

126. Mr. Lugo was more than happy to talk with any of the counsel that WTAAA had engaged. That being said, he wanted to tell PAPGJC about the counsel that IATA had engaged with. Sitting in the room was Eric Vallieres from the law firm McMillan. Mr. Vallieres was chair of the external counsel working group of competition lawyers that IATA had engaged with around the world, which included Latham & Watkins in BRX and LON; Minter Ellison in Sydney and Auckland; and several others. They had surveyed 60 jurisdictions and in those 60 jurisdictions had provided counsel with the full context of NGI and ISS, the full description of the various forms of accreditation and RHC, and all the tools which would allow an agent to continue selling once the RHC was reached. Therefore IATA was confident but certainly did not fear healthy differences or exchanges of opinion. He then turned to Mr. Vallieres to talk about the work of the Competition Law Working Group.

127. Mr. Vallieres reported that the Competition Law Working Group comprised of 4 law firms coordinating the review worldwide in surveying 60 jurisdictions. The firms had been selected according to their competition law competence and reputation and had been fully briefed on all aspects of NGI and the RHC part of NGI which was extremely important. When the results had come in, the Working Group had met in LON to discuss them and had issued a formal recommendation to IATA, which was obviously privileged. The Working Group had unanimously concluded that in their view NewGen ISS was competition law compliant and also RHC as part of NGI.

128. Mr. Vallieres was also more than happy to have a discussion with the lawyers retained and consulted by WTAAA. They would need to do that very quickly and have waivers in terms of what they were presented with in respect of information and maybe have some supplementary information with the rest of NGI as well. Again, he was happy to have a healthy discussion with them but given the timelines he had seen today, that needed to be done very speedily.

129. Mr. Popovich fully agreed that should be done on the legal side. Returning to the issue of bustouts, he clarified that WTAAA were proposing that IATA withdraw ticketing authority under certain conditions when an agent reached its limit, which was a more severe approach than what was on the table. The area here was that there was some concern about the automation of switching from Cash based sales to other forms of payment. That concern was noted and had been discussed extensively.

130. The WTAAA representative clarified his proposal. If the real purpose of RHC was to capture bustouts and if real time reporting and the new structure were in place, plus the 100% formula, and the results from the desk top audit had demonstrated that only 1.2% of agents around the world would be affected by it, the thinking was that if there was an agent that went over its limit at a weekend, there would be a good chance that that would be a bustout in which case the only thing to do would be to suspend the agent until a dialogue

could take place. Although he took Mr. Lugo's point about RHC being part of the package, he did not believe that the operational concepts which had been proposed would work. They had laboured on this thinking and that was why they were proposing that rules should be developed and put into r8xx Section 5 on Safer Selling whereby the Agency Administrator could invoke r818g, 13.2 to suspend ticketing. They had been very careful with their words. He acknowledged that it was potentially a harsher approach, but if they were genuinely trying to catch bustouts, they had to get real about it. That was why they were keen to see what percentage came out of the 100% in the pilot and why they were saying that the results had to be reported back. They were putting forward a methodical, step by step approach to demonstrate that they did want to find a solution because the agent community were not happy about bustouts either.

131. Mr. Rodriguez stated that the March 2018 deadline would only happen if a date was put there and they all worked towards achieving that date, knowing that there would be challenges on the way in TIP and other areas. Crossing the line together meant all the items would cross the line together on 1 March. That was fundamental to crossing that line. In respect of possible legal issues, he had been told that IATA had done a thorough study and did not expect any major concerns, but if something did come up, they would work through it. His suggestion would be to work towards the goal of crossing the line together on 1 March and as they went along they would still have time to analyse and identify all the potential issues that would have to be taken into consideration, legal being one of them. It was important not to look at the obstacles but to look at how to overcome them.

132. Cutting agents off from the system might raise legal issues. Under NewGen ISS, it would be a restriction of one of the forms of payment and giving the agent many different options in order to make that payment. Mr. Rodriguez had also heard concerns about whether the change to other FOPs would work efficiently. That was what IATA hoped to do with the pilots, to show everyone the results from the pilots and to give reassurance that the system would work well. By the time of Conference, if he heard that the system was not even close to working as well as expected, it would be a different story and maybe then they would need to have a discussions about what worked and what did not work. As of right now, Mr. Rodriguez and the IATA teams were working towards achieving the 1 March deadline, in conjunction with everybody in the room. There was no plan to cut off any agent from the system. There would be a restriction of a FOP and tools available such as EP or the ability to make settlement ahead of time or to increase a bank guarantee in due time. EasyPay would need to be up and running effectively to work immediately on demand and he expected to deliver that.

133. Turning to the comment that the reason for doing this programme was to eliminate bustouts, Mr. Rodriguez agreed that that was one of the reasons, but not the only reason. There were many others, for example the wish to reduce the amount of unrecovered debt resulting from bankruptcies. That had always been part of the programme. That being said, bustouts was always the one that came to mind first and was probably the largest part of what they wanted to avoid.

134. The second suggestion relating to the Safer Selling concept and using the Agency Administrator's power in order to eliminate bustouts, could work. There was already wording in resolution giving the Agency Administrator the authority to act in certain circumstances which had been used on several occasions, therefore that was already in hand. However, the system today was not 100% efficient and was not bullet proof. When a true system was in place, with RHC, it could be that they might not need to invoke the

Agency Administrator rights to do this as the system itself would be bullet proof. He agreed with the idea of using patterns of behaviour and information to see how the concept of predictive analytics could be used to detect potential bankruptcies or bustouts, and tools were starting to become available in this area.

135. Lastly, Mr. Rodriguez felt that the most important part of all this, if they were serious about making the March 2018 deadline, was to put a mark in the sand and to agree to work towards that no matter what the obstacles were that came in the way. If there was an obstacle that could not be overcome, they would have to come back to this group and discuss it. He would be greatly surprised if there was a true legal issue and if the programme was anticompetitive in any way. As of right now, assuming that was not going to happen, he urged everyone here to put all their efforts towards making March 2018 happen.

136. The PAConf Chairman thought it would be a good idea at this point to see where they were. First, they had moved the date of the Conference to later in the year to provide a greater degree of flexibility. It would be very easy for him as the PAConf Chairman to say they could agree to move the 31 March date back to 1 May as the cut-off date to provide an alternative proposal on RHC if they had all the legal agreements in by 1 May because the PSG would be meeting later that month. That would also give Mr. Lugo time to talk to WTAAA's legal representatives.

137. The PAConf Chairman also reiterated that this was a package, they would either do all of it or none of it. He went through where they were with each part of the package:

- Resolution 8xx was almost there, apart from Agency Fees and RHC, and the agent representatives would be pleased to hear that with the introduction of this resolution in any country airline bilateral guarantees would no longer be allowed. The exception in resolution where an airline could introduce bilateral guarantees would disappear. That was already well advanced and the wording would just need to be finessed in the new resolution.
- Resolution 890 was well under way but that would only go forward providing all other parts of the package were there.
- TIP – there were still some concerns amongst the airline community just as there were amongst the agency community and they were looking at further options. It had been given a tentative go ahead until June but would be re-examined at the May PSG where a final decision would be made whether it was to go or no go.
- EasyPay was moving along slowly. It remained to be seen whether it would get its code.
- Global Default Insurance was being allowed to go out on a trial basis but it was all part of the package.
- Real time reporting looked like it would come in but there would still be a need for RHC and the carriers wanted RHC to be part of the package even if RTR was achieved.

138. Therefore, taking all that into consideration, the PAConf Chairman thought that 1 March would still be achievable but they would need to get the barriers to RHC out of the way. He thought that if they could get real time reporting, in the end RHC should be a relatively minor issue. He did not agree with allowing the APJCs to set the RHC as in his view that would be grossly anticompetitive. They should all be working together to achieve the 1 March deadline and he believed they could do that. However, he did not want to see RHC as being the worrying problem and repeated that he did not see any reason why the 31 March deadline for the agents to come up with an alternative proposal could not be put back to 1 May.

139. An UFTAA delegate raised a concern that he had also raised in MAD. This was a revolutionary way of doing business, but it would not fit with the business model of many good agents that were in the system today. It would mean they would have to change their business model and he did not believe that would happen. He believed that there should be a mechanism whereby good agents had the ability to prove to IATA when reaching their RHC that they were in a good financial position and should be allowed to continue selling. Of course they all wanted bad agents out of the system, but he thought they would need something more sophisticated to prevent those kinds of cases, it could not just be a formula. He believed that it was necessary to prove to this forum that the formula could have prevented at least half of the cases of agent default in the last few years. That would be an easy thing to do as IATA would have all the data which they could run against the formula. It was important to do that because otherwise they would be in danger of building a huge structure that might not prevent defaults, but would simply introduce more bureaucracy without any tangible results. He agreed that this was a package, and that there were many good things in it for the agents. However, they should not be telling agents that were in a good position that they had to change their business model as that would not happen.

140. Mr. Popovich thought they were at risk of unravelling the package based on this discussion. He asked that there be an urgent review of the legal advice provided to WTAAA. If they wanted this package to succeed, they would have to work together to address that, otherwise 1 March 2018 would not happen. Secondly, they were talking about a Safer Selling process that was not live yet. They had talked extensively about the agreement and were doing exactly what had been agreed in terms of Wave 1 and the pilot testing. After this discussion, he now had doubts that they could deliver this package together and he wanted to be quite straight with everyone. In order to do this, they would need to compare notes on the Legal advice as a matter of urgency. It was not something that could wait weeks and would need to be resolved urgently. It would be very important in getting that legal advice that they set the question being asked on both the IATA and WTAAA sides so we can get to the bottom of that.

141. In terms of the Safer Selling process, they had discussed on many occasions the futility of the desk top exercise and that was exactly why they had agreed to the Wave 1 pilots where everything would be live except enforcement of the RHC. If the Safer Selling process was not going to work, why would they go ahead with it?

142. Mr. Popovich was concerned to keep up the pace. They had seemed to be inspired by the TIP process but were now letting themselves get stuck on one part of the package. He urged them to work together to find a way through this to protect the package. His concern was that if they would spend several months looking at the legal advice, it would be over. The ambitious dates they had talked about would not happen. Therefore they would need to have an action agreed to look at the legal advice as quickly as possible, noting that

in Wave 1 they would not be activating the RHC in any case because they wanted to be convinced that the process was going to work to mutual satisfaction.

143. At this point, the agent contingency requested a short time out.

144. After a break, the Chairman remarked that they were on track with an extremely ambitious project. She urged them to stay on track and ensure that the legal aspects raised by WTAAA were considered as soon as possible. They all shared the same objectives and she was a great believer in the PAPGJC and the cooperation that had been built up in this group. That said, she would like to hear comments from the agent representatives.

145. An ECTAA representative thanked the Chairman for her comments. He believed that they would be able to cross the line together and he put forward a solution from the agent community. Their offer to cross the line together included two small conditions. Firstly, that the part of the resolution concerning RHC would only be valid for 12 months, meaning that it would not be indefinite. That would allow time for the pilots to be run as agreed and the results discussed by the PAPGJC before determining its renewal by Conference. Secondly, Resolution 890 would be amended along the lines proposed by the agent side since 2013, meaning that Section 1.4 would be amended to allow use of an agent's own card provided it was accepted by each individual airline. Again, the 12 month resolution validity open at a later stage for renewal would allow the different markets to see how things worked with an amended r890 and RHC, and that would allow them to avoid having a long, expensive and probably useless legal battle that would not be productive for the industry. Those were the outcomes of their deliberations.

146. For clarity, Mr. Popovich ascertained that the agent representatives meant that the RHC would be in place for 12 months from the date that the resolution was activated, without suspensions being activated as a pilot, meaning effectively a one year pilot.

147. An UFTAA representative explained that they wanted this to move forward but if there was a problem going forward there was no mechanism to stop it if they needed to. This way, if there was a problem, they would have the ability to stop after a year. That meant crossing the line together but defining the distance they would walk together once they crossed the line. At the moment they were talking about something that was unknown. This proposal would enable them to sit down and talk about it once they had all the facts to hand from the 12 month pilot.

148. A WTAAA delegate confirmed that the agent community were prepared to commit to the LON agreement with respect to the RHC. Their proposal would give them the chance to execute the pilots based on the 2 parallel pilots that they had agreed to and all the other components, including the review of r890, and the only cubit attached to that was whatever resolution was required to allow for this pilot to run was that its validity period would run in parallel with the pilots. They would then review the outcomes of the pilot and as a group be able to determine the final wording of the resolution.

149 Having heard the proposal, Mr. Rodriguez thought it would disassociate different parts of the agreement and put at risk the crossing the line together because from his point of view it was crossing the line first and then catching up a year later. The idea of accelerating some parts of the package was probably not the right thing to do and not what he believed would be crossing the line together. However, he did not have a vote and it would be up to the airlines to decide if this was something that was of interest.

150. Again, the WTAAA delegate wanted to make it clear what they were proposing so there was no misunderstanding. It was clear that they had agreed as a collective that the wording for the RHC component of the resolution was something they would do by the end of March. The agents were now suggesting that in order to meet that objective, they could proceed with the agreement but on completion of the pilots, the final wording of the resolution had to be whatever came out of this forum and the results of those pilots because ultimately when resolutions were put in place they were cast in stone and the agent community wanted to have the opportunity to reconsider the parameters subject to the outcomes of the pilots.

151. Mr. Rodriguez asked for more clarity as to exactly what the travel agency community expected to have active before and after 1 March 2018 because he was not 100% clear.

152. Another WTAAA delegate stated that the issue was that the agent side did not think they would be able to get the new agreed wording in place in the timeline that was currently set, firstly because there was the legal issue that had to be addressed and secondly because they were about to start the pilots, which presumably would be conducted on the wording currently in Section 5 of the resolution. The agent community was saying go ahead with the pilots with the existing wording but do not expect that the existing wording was acceptable and they wanted to have an opportunity to review the wording. The fact that they had not met the agreed timeline to provide alternative wording should not be taken that they agreed with the current wording. The agent side wanted to be able to come back here and review the results of the pilots against the wording, with the ability to amend the wording which would then go to PAConf in November, with a 12 month expiry attached to it which was an insurance policy that they would use to convince their members that if the whole thing went wrong, there was a get out of jail free card attached to the resolution.

153. He added that the other point was that the pilot needed to include the ability for the amended r890 1.4 also to be in place. Perhaps they could do this through an urgent mail vote or maybe there was the ability to bend the rules somehow. Otherwise they would not be piloting the package, but just bits and pieces.

154. An UFTAA representative disagreed with his colleague. In his view, the agents were suggesting a full implementation of the package as a pilot for 12 months, with all components. At the end of the 12 months the resolution would be determined and re-decided by the Conference. The only purpose was to see if something would need fixing in the new machine that they were building. He was not interested in playing around with the wording. He wanted to make sure that they had a turning point in case there were any problems.

155. The PAConf Chairman thought that there was a problem, which he hoped they could overcome. As he understood it, they were to go forward with the new resolution and the RHC formula that came out of LON so there were two things in there that could be measured. Then there was the WTAAA proposal, which he could go along with, but he had problems with the UFTAA proposal. They would go forward with that section for expiry 12 months on from the March effectiveness date. The problem there was they were talking about running a pilot from July this year. He believed the pilot could still run and show the results coming forward and then when the March effectiveness date came in, by which time 890 would have been amended, they could then measure it again with the revised arrangements already in place, so they would have more parameters, i.e. before 890 was

amended and after 890 was amended; and would be able to see what effect that had before going to PAConf with a final recommendation. All he would say to that, providing they could agree to that, was that it was much better to do that at this forum rather than at PAConf. The benefits of this forum were loud and clear compared with going to Conference and trying to get the same thing.

156. In terms of r890, the plan was to make it permissive however he wanted to be quite open and say that there were carriers who did not want agents issuing tickets on their cards. As long as the agent representative could accept that, it was the intention wholeheartedly to go forward with r890 as a permissive resolution.

157. Turning to UFTAA's proposal, if they were to put a 12 month validity on the entire package it would mean that there could be no long-term planning, everything would go back into the melting pot and they would still carry on with 818g because they had to have something in the background if it all fell by the wayside. It did not make any sense to do it that way. It would be possible to build something into the text that there would be a complete review of the package after 12 months and that any resolution wording changes would be brought forward to the next PAConf, meaning that there was a commitment to review every aspect of the package before it went into full and final effect. That was the way he suggested they should proceed.

158. Mr. Popovich asked for time out to discuss matters with the airlines and the PAConf Chairman.

159. After a short break, Mr. Popovich asked Mr. Rodriguez to put up on the screen some wording for a proposal on a way forward that would enable them to cross the line together. He felt it was important to have this in writing so there was no misunderstanding. The proposal came from IATA and the airlines, using what had been agreed in YMQ and LON, based on listening to comments around the table today and keeping the pace on the programme. What was important was to have a common voice with the GDSs the following day at TIP TAG.

160. PAPGJC then went through the text very thoroughly, with suggested amendments or clarifications being incorporated immediately on screen. Below is the final text unanimously agreed by PAPGJC:

- From July 2017 to March 2018, NewGen ISS pilots will run without the enforcement of the Remittance Holding Capacity. Both formulas, as agreed in London, will be piloted without any restriction of Cash as a form of payment.
- In November 2017, PAConf will be presented with the full "Crossing the Line" package:
 - Resolution 8xx including
 - Remittance Holding Capacity with the +100% growth threshold with no exceptions
 - The subsection on the RHC calculation within Section 5 will have an expiry date at the 2019 PAConf, when all results will be reviewed
 - Resolution 8xx(?) – Transparency in Payments
 - Resolution 8xx(?) – Customer Card (replacing Resolution 890)
 - Amended Resolution 854 – covering the open standard technical requirements
- The above Resolutions will be fully effective from March 1st, 2018 which means:

- Remittance Holding Capacity will be enforced based on the 100% growth threshold
- Transparency in Payments will be effective
- Every 6 months from July 2017, the RHC Working Group will review the RHC calculation for a period of 2 years (till June 2019). The Working Group will share its feedback to the PAPGJC and with the 2019 PACConf.
- At the 2019 PACConf, the results of the implementation of RHC under Resolution 8xx will be reviewed taking into consideration the feedback received through the Agent consultation process.

161. During discussion, it was confirmed that as agreed in LON the Wave 1 pilots to be carried out between July 2017 and March 2018 would be conducted on the basis of the 2 formulas, but without applying RHC, but the resolution text going forward to Conference in November would include only the 100% formula. In addition, there might be some refining of the above wording and the word 'review' in the last bullet point might be changed to 'evaluate' to better reflect the intention.

162. An ECTAA member asked whether it would be possible to make sure that the adoption of the new customer card resolution was linked to the rest of the package. His concern was that a carrier or carriers that had defeated this in the past could still defeat it again despite it being presented as part of the package.

163. Ms. Vité explained that it was proposed to include the new Customer Card resolution that would replace r890 as part of the 8xx suite of resolutions that made up the full NGI package. A key consideration here was that in the future there would be the ability to restrict the form of payment because airlines would be giving consent to specific forms of payment products. That functionality would only come into place with the implementation of NewGen ISS. The transition resolution (r846) would also need to be amended to say that all the 8xx resolutions would come into place with the full implementation of NGI and that when NGI was in place, the old r890 and r818g would no longer apply. Therefore all these resolutions would either fail or succeed at the same time.

164. Mr. Stucker added that this was the agreement between the airlines and the travel agents. It would only work if the GDSs were implementing the changes such as the restriction of FOPs, the various payment product codes, and so on. Mr. Popovich advised that he would be showing this slide to the GDSs tomorrow at the TIP TAG meeting as their joint view. PAPGJC unanimously supported that action.

Action:	Mr. Popovich
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165. Towards the end of the meeting, Ms. Simoes briefly came back to this item, drawing attention to the agenda paper and the updates relating to the BSP Manual for Agents and the RHC guide. She asked for people to provide comments and feedback to her on the overall approach to the BSPM and the content, as the intention was to have a first draft ready for PSG in May that would be shared with PAPGJC shortly after.

166. A WTAAA representative asked if they could also provide comments to Ms. Simoes about the RHC Guide, which should not be given a wider circulation for the time being although it was a good piece of work.

167. It was agreed that any feedback would be provided to Ms. Simoes.

ITEM 6 – AGENCY FEE RESTRUCTURE

168. Mr. Rodriguez referred to an onsite paper proposing a new Agency Fee Structure under NewGen ISS. He reported that whilst there were some adjustments to some of the fees, the total amount of revenue was neutral and would be the same in today's environment as in tomorrow's. In some cases some of the prices would increase, especially the annual fee because the annual fee of tomorrow included all the changes that in today's environment were charged for separately. The amount of revenues that IATA would have at the end of the process, i.e. in the 'to be' state, and the revenues as of today were more or less equal, which had been a key consideration in putting together the new pricing structure. Another price that would leap out at them was the fee for multi-country agents, but the paper contained a very clear explanation of where that pricing came from and it was equal or even lower to what those agents paid today.

169. He then invited Mr. Manuel Saenz to give a presentation to explain the proposed new pricing structure.

170. Mr. Saenz began his presentation by explaining that there had been a need to review the fees because of the introduction of the new accreditation models, but IATA had also used the opportunity to go a little beyond that and had tried to make some other improvements to the general fee structure. He explained the key drivers behind the proposal. The first was the fee relationship between the Head Entity and the Associate Entity, where branches would be less expensive. Overall the model would be neutral in terms of the accreditation model, in an endeavour to have a system where price was not a factor when it came to deciding which model to choose, in particular in selecting the Cash or No Cash accreditation model. As mentioned before, revenue neutrality had been a key driver. A final driver and an important change was the introduction of some price segmentation to reflect the needs of the different business models and services needs of the agent. With this proposal, 3 basic segments would be introduced for small, medium and large agents.

171. Turning to multi-country accreditation, this was the most prominent change. Up until today, agents existed only within the national footprint in terms of their accreditation fees. Even in the case of large multi-country groups, those agents got one set of invoices per country which they had to pay separately and they were considered when it came to customers as different customers. With the new accreditation models, multi-country agents would be considered for the first time as global entities and a single relationship when it came to their fees and charges. A multi-country agent would be considered as a single customer and all their branches would be added together in a single invoice which would result in significant reductions in terms of cost. Multi-country agents would have to undergo a quarterly financial review of its consolidated business, and cover the cost of these reviews, as they did today. In the future, these agents would also get better account management with increased customer service and they would benefit significantly with the aggregation of branches into a single bill.

172. Mr. Saenz then went on to explain the revenue impact of cheaper branches. In the current situation, consolidation of volumes only took place within the country and each

country represented a single invoice. In the future, by including all countries, all volumes would be consolidated in a single bill. That, and having reduced the price of the tiers and the size of each tier meant that multi-country agents would benefit dramatically from lower prices for Associate Entities. To demonstrate, Mr. Saenz presented a slide showing how the price would behave in the current and future model applying some generic model calculations. The savings were substantial in every case, but also different in every case. It was expected that there would be more locations in the future with this model, as it would make sense cost-wise. Stressing that it was an optional decision for an agent to choose multi-country accreditation and therefore difficult to estimate how many agents would fall into this accreditation model, IATA's assumption was such agents would save between CHF10,000-15,000 in the cost of branches.

173. Mr. Saenz showed a table summarising the main changes being proposed, shown in greater detail in the agenda paper. The table had columns for the 3 accreditation models – non-Cash, Standard and Multi-country – and the rows showed the most relevant fees that were being applied today. The annual fee had been split into three to cover Small, Medium and Large agents reflecting the spread of sales processed through the BSP (30%, 40%, 30%) to segment the agents. A Small agent was one that had less than CHF 200,000; Medium agents had more than CHF 200,000 but less than CHF 2 million; and Large agents processed more than CHF 2 million through the BSP in the course of a year.

174. A last slide contained a summary table showing the different value propositions for the different accreditation models

175. The Chairman thanked Mr. Saenz for his presentation and called for questions. An agent representative questioned the amount of sales used to differentiate between Small, Medium and Large agents. In his view, an agent having annual sales of less than CHF 2 million should be listed as a small agent and medium-sized agents would have sales of at least CHF 10 million. He thought therefore that further consideration should be given to this.

176. Mr. Saenz advised that IATA had not had any specific levels in mind when making the segmentation, but these were the numbers that came up from the BSP sales information that divided the market into 3 similarly sized groups. Going with different thresholds would make it difficult with too large or too small segments to have a consistent fee structure.

177. Another agent representative complimented Mr. Saenz on a well presented package around the changes, but thought it would have been useful to have had a comparison with the current fees. Ms. Vité advised that there was a comparison table and it would be made available after the meeting.

Action:	Mr. Saenz
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178. An ECTAA representative agreed it would be useful to have the comparison table. He asked why it had been decided to keep the fees in Swiss Francs knowing that the operations would be moving to MAD and SIN? He also noted that the categorisation for standard accreditation would imply an increase of CHF 200-350 for many agents, which would mean an increase in the annual fee for standard accredited agents because there would probably only be a few agents who would switch to multi-country accreditation and non-cash accreditation, over which they had no visibility at this point. Without being able to

compare and test this with ECTAA members he could only express reservations for the time being.

179. Mr. Rodriguez reported that IATA had entertained the idea of aligning everything in a different currency but there had been no support for that at PSG, hence it had been decided to keep in CHF. Regarding the cost of the annual fee being more expensive, they could do the comparison. They were putting in a similar type of grouping, 30/40/30% as of today's situation, but that could change depending on sales in the future. It was true that for the larger agents there would be an increase CHF 2-300 a year, but it was important to understand that the new fee would incorporate some of the changes which in today's environment the agent would pay separately for. In the future under NGI all those changes that would happen during the lifetime of an agent would be incorporated into the total fee. In some cases it might not be an increase at all, but it would be slightly different for every agent. Overall he thought it was as fair as possible.

180. Complementing Mr. Rodriguez's remarks, Ms. Vité reported that the cost of the Associate Entities was in general lower. The higher cost of the Head Entity /office code at the moment was CHF 214 CHF. If they looked at the HO/HE office code in the standard accreditation, they could make that comparison. Now the BR codes were overall cheaper per code and in addition the agent would not be paying any change fees unless they changed accreditation model. Today, every time there was a change – minor or major – the agent had to pay a fee, which might come as a surprise and something not factored by the agent into their cost. So having certainty about the price the agent would pay also had value. When an agent paid for accreditation, it should pay for all the services that went with it. This was about really about having a pricing structure that reflected the service and all the things that happened to an agent during the course of their accreditation. That was also part of the thinking behind the pricing review.

181. The Chairman advised that she would be looking for endorsement of the new pricing structure at the next meeting in September. In the meantime, IATA would send the requested information to the agent representatives and if there were any further questions on this topic, they should be addressed to Mr. Saenz or Mr. Rodriguez.

Action:	IATA
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ITEM 7 – PCI DSS AGENT COMMUNICATION UPDATE

182. Mr. Rodriguez reported that this agenda had been put together a few weeks ago. He reminded everyone that PAConf/39 had endorsed changes to the resolution on PCI, to be implemented in June 2017. Before that took place, there had been several discussions at PSG and PAPGJC where it had been agreed that there would be a need for a communication channel to the travel agents around the world in order to convey to them the process for PCI compliance. Since then, IATA had had a couple of iterations with PAPGJC members to see what would be the right process and wording to be used, to try to support the communication process as they moved forward. The IATA teams around the world had been trained and a web site had been created for travel agents to check what they needed to do to achieve compliance by the June 2017 deadline. Mr. Rodriguez admitted that the communication to the travel agent community had been sent out without the final agreement of the PAPGJC members. This had given rise to an outcry from the travel agent associations and as a result he had sent out a letter saying that the information would be

withdrawn from BSPlink until further discussion at this meeting. He apologised that the last step in stakeholder management had not taken place and in hindsight agreed that he should have waited until this meeting to have had that discussion.

183. Mr. Rodriguez hoped that everyone would understand the reason why IATA did the work and had translated the communication into 13 languages in order to support travel agents around the world through a difficult process to get compliance in place. He had received a good amount of feedback on this topic, in many cases about the date of execution of the PAConf resolution, in other cases just about applying two instances of irregularities for non-compliance which was simply a copy/paste from the resolution. What he wanted to do now was to open this up for discussion to better understand how they could move this forward quickly and make sure that the communication was effective. He wanted to make sure that IATA was giving support, giving out information, and giving as much time as possible for agents to obtain compliance, bearing in mind that the timeframe for that had already been shortened.

184. An UFTAA delegate thought there should be a very simple checklist available for agents to understand what they had to do to adopt this standard. However, he had looked at the website and could not find that, or any clear information that would help him to respond to any questions coming from his members.

185. An ECTAA representative thanked Mr. Rodriguez for the clarification. He agreed that the communication had caused a commotion last week amongst the agency community, threatening that if agents did not comply by 1 June they would get 2 IRRs. The link provided unfortunately did not give the simple practical information that agents needed to run a business. Whilst he understood that this had been a good intention to speed up the information process, he had thought that the communication would only go out after discussion at this meeting today.

186. Moving forward, he advised that there were a number of very significant concerns. Firstly, it was not easy to become PCI compliant. It had taken him some time to understand what it was about. Even small agencies had to get audited and the audit was about software and hardware compliance, staff training, working processes used in the company. It was very complex and also an expensive process to go through. As far as Europe was concerned he believed there would be quite a number of agencies out there that were not fully compliant by 1 June simply because they did not understand the issue. They needed to make a collective effort to help the agents understand this issue.

187. Another consideration, which he had highlighted in his emails to Mr. Rodriguez and where he would like an answer from IATA, was that on PCI compliance they had to look at all elements in the distribution value chain. Therefore he wished to know what had been done to ensure that IATA, the BSPs, the airlines and the GDSs were also compliant.

188. In conclusion, the ECTAA representative summed up his comments. The first thing they needed to look at was how to assist agents to become PCI compliant and threatening them with a Notice of Irregularity was not the most efficient way of motivating them, although he accepted that at some point there would be sanctions. Secondly, they had to put in place something which went beyond this communication to make the tools available to agents to make sure that at a certain point nobody would have an excuse not to be compliant. Thirdly, although 1 June 2017 was in the resolution, he did not think that every agent would be ready by then and they had to be aware of that and prepared to continue

the effort after that deadline. Lastly, it was important that all the parties to the distribution value chain were PCI compliant and he would be interested to hear what had been done with the airlines to achieve that.

189. The PAConf Chairman pointed out that the PCI requirement had been around for the last 12-15 years. He wanted to understand the size of the problem. The pressure had been there to become PCI compliant since 2003. Why were they waking up to it only now? Most agents were principals in their own right in which case they were supposed to be compliant to make those transactions in their own right since 1 June. In his opinion, it was not IATA that needed to provide the information but the credit card companies, although IATA could help. PCI compliance had been known about for such a long time, there had to be a stake in the ground to say that beyond a certain point they had to do something. If the date was wrong then yes they could look at it. But he returned again to the question - what was the size of the problem? Surely in the last 15 years the national travel agent associations must have been responsible for putting something out to their members on this because of the need and the requirement for virtually every single agent to be compliant when they were a principal in their own right.

190. An UFTAA delegate advised that in his opinion most of his members were not ready and he believed it would be the same in other regions. He accepted what the PAConf Chairman had said about this being the responsibility of the travel agent associations, but now they needed to do something urgently. The issue was not simple and they needed to provide the agents with the appropriate tools to become compliant.

191. Mr. Popovich advised that, from IATA's point of view, it was responsible for financial settlements in the industry and he was pleased to report that, as a result of years of work, not only the ISS but also IATA was PCI compliant. He did agree that this was a value chain responsibility for the airlines, agents, GDSs and so on so they were all in this together. He had pushed his own team very hard a few years ago to become PCI compliant and get it out of the way. At least they were now talking about this topic together and moving forward, but they had to get to the bottom of this together on how difficult it was and how IATA could help. It needed to be sorted out as quickly as possible together. The issue had been discussed at PAPGJC last September and it was known that a proposal would be going to PAConf in October for effectiveness 1 June 2017. What were the pieces of work that IATA could do to make this task doable – checklists, support, advice? If it was true that in June 2017 there would be thousands of agents that were not ready then they would have to deal with that situation. Now at least they had everyone's attention as to the urgency of this topic.

192. A WTAAA representative thought that there had been a communication breakdown, in which the travel agent associations had played a role as well. For better or worse, the reality was that the first time the travel agents had paid attention to this was when the notification had gone out ten days ago. Now panic had set in because there was only 3 months left and this was going to have a profound impact. He asked whether anyone had any idea of the status of suppliers and how compliant they were, because a travel agent could not be compliant unless their suppliers were too. This was an issue for the whole industry.

193. The Chairman stated that that was exactly why the airlines were worried. This was something thought up by the credit card companies as long ago as 2005. How could they

build on the fact that the travel agents had now woken up to this issue and how could IATA work with the agent associations to help their members?

194. The PAConf Chairman added that because airline ticket sales were such a large portion of credit card sales and of a high value, the indication was that action was likely to be taken on the airline credit card sale first by this PCI DSS compliance group who were saying that they would enforce it. There was no defence. The problem was, when an agent issued a ticket it did so on behalf of the airline and the airline had to make sure the agent was compliant and that was all they were are striving to do. It was a mess. It was not as a collective to go back to this grouping and say it was unable to comply. This had been around for the last 12 years. He thought that the travel agent associations would find that nearly all airlines were compliant, because they would have realised in their discussion with the credit card companies, which took place every six months, that they would have needed to put this at the top of their agenda. They had all been aware of this for a long time but there had been no urgency behind it. Now IATA was saying that the travel agents had to be compliant by June otherwise it would start taking compliance action and he regretted not knowing what the answer was.

195. Mr. Popovich stated that at the end of the day, it was their individual responsibility to be PCI compliant. The industry was very vulnerable right now because of these organisations and it was important that they were seen to act. 'I am working on it' was not a good answer. Acting and being seen to act was very important and credible, whether they liked it or not. The other thing, although this was the travel agent associations' action just as it was the airlines' action, was what more could IATA do to support? IATA was ready to help that process but could not compromise on fixing a date for readiness.

196. A WTAAA representative advised that he had been involved in the evaluation of the materials being prepared last November. He was frustrated that despite having provided a good amount of feedback, that had not been acted on and now there was only 3 months before the deadline. From an agent perspective, he accepted responsibility for meeting the standard. The questions he had asked were around centralising communication, which was the IATA web site, and having the documents there available so that when the communication went out agents did not go into a tailspin, they went to a safe haven website that could provide them with the information that was being talked about in the communication. For example, there were self-assessment questionnaires but there was not just one, but different versions depending on how many credit card sales you had, whether these were BSP card sales or when the agent acted as a merchant. In his opinion it was that level of detail that was required and that was a role that IATA could perform. The information should be as clear as possible as to what IATA was looking for in order for an agent to be considered compliant. The other issue was the threat of the punishment that would happen on 2 June, and another IRR 30 days later, so the problem would just exacerbate. He personally was grappling with how big this issue was.

197. Mr. Rodriguez shared his frustration. This was not an easy or straightforward process. That was the reason IATA had put out the final communication, to give travel agents a fighting chance in the remaining three and a half months to get compliant. IATA had put all the information out there in order to support the travel agent community. It was not an easy process but a necessary one. One positive outcome was that IATA had woken everybody up to the importance of this. But IATA could only support the communication, it could not do the job, it could only direct the travel agents where to go for more advice and assistance. He was looking to the agent representatives to assist IATA in providing an

appropriate and efficient communication to the community and although IATA was here to support them, it could not solve the fact that this was not an easy process for everybody.

198. An ECTAA member advised that among the avalanche of questions he had received from his members, there were a few where if they could already bring some answers, that would be extremely helpful. Such as – How do I become PCI compliant? How can I prove to IATA I am PCI compliant? Can I do self-assessment? Do I need an external audit?

199. Secondly, he understood that threatening agents with notices of IRRs was sometimes required nevertheless this had alarmed the agencies because they needed just a 3rd one before they were out of business for potentially not having committed any other errors but just having just forgotten to do this PCI DSS compliance. Whilst not recommending to withdraw that from the resolution text, he would suggest using common sense when applying those 2 IRRs, which hopefully would save a few TAC cases and above all avoid a few dramatic situations in the market where all of a sudden agents were being suspended.

200. Lastly, he wanted to have a better understanding of what they could do together. He understood that he would get assurance that the airlines were PCI compliant by 1 June, which would be very helpful. But what would IATA expect from an agency to show that they were PCI compliant – an email, or letter, or copy of the audit report?

201. Mr. Rodriguez advised that the different ways of certification were explained in the volumes of documents on the PCI DSS website. Because this was so complicated and because it would be difficult for agents to get compliance by the stipulated deadline, IATA would seek a common sense approach from the PSG on how to move forward with this after the deadline. In the meantime, IATA would try to clarify further what information needed to be provided. In the next few days he would like to work with the travel agent representatives to develop a communication that would go out to the whole travel agent community.

202. Summarising the discussion, Mr. Popovich stated that PCI compliance was something that was being inflicted on the industry by an external body. It was the responsibility of the airlines, agents and IATA to get there, but IATA could not take responsibility for the travel agents' compliance. Having said that, what IATA could look at were a number of areas in terms of clarity on the website and a basic Q&A. The other area that IATA could look at was in terms of advisers that agents could connect with. Again, he stressed that it was not IATA's responsibility for travel agent compliance but IATA could support the travel agent associations in executing their responsibility. Mr. Rodriguez' suggestion about a joint communication was very important because this was about an external requirement on the whole industry.

203. Lastly Mr. Popovich confirmed that as they went through this, IATA would apply common sense and seek advice from PSG on an as-needs basis. IATA had to keep the pace on the timeline but would apply common sense and he gave his commitment that should a situation arise, he would call on PSG for guidance.

204. The Chairman concluded discussion on this item by saying that she appreciated everything IATA was doing to help but ultimately it was the travel agent associations' responsibility to help their members to get to grips with this.

205. Later in the meeting, Mr. de Blust and Mr. Fatael volunteered to work with Mr. Rodriguez in drafting the communication to go out to the agents community.

Action:	Mr. Rodriguez/Mr. de Blust/Mr. Fatael
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ITEM 11 – TREATMENT OF POST BILLING DISPUTES

206. Ms. Vité explained the background to this item and the proposed revised mail vote now before them. As per the usual procedure, the mail vote had originally gone out to PSG/PAPGJC for review before being sent out to PAConf for voting. During that time, IATA had received feedback both internally and also from an ECTAA member which necessitated some further amendments, as detailed in the agenda paper. The revised mail vote had been endorsed by PSG earlier in the week. With PAPGJC agreement, the mail vote would go out with an express timeline in order to maintain the 1 April implementation date as approved at Conference,

207. An UFTAA representative did not have a problem with the mail vote, but raised the issue that sometimes it was impossible to raise a dispute because the system was not available or the airlines had closed this option.

208. Ms. Vité advised that the resolution had been changed to reflect that all disputes should be done through BSPlink and a change request was under way for this to actually work. Technically, the changes were being made so that it would not be possible to turn off that functionality so that all disputes would go through the system and the timeframes embodied in the resolution would be respected and everything would be automated. She would be interested to receive any feedback on how this was working after it came into effect on 1 April, because if there was any problem with the system IATA would need to know about it.

209. An ECTAA representative wished to record his opposition to paragraph 1.10.5.2/5.3 which had been approved by PAConf last October. This was not something that he could support as it would give a tremendous amount of administration for the agents and the BSP, with money going back and forth for every disputed ADM. He would be submitting an agenda item for the next PAPGJC meeting to repeal it.

210. Later in the meeting, a WTAAA representative raised an issue of the timeline being changed from 12 to 10 months. He believed it should remain at 12 months because that was the validity of the ticket.

211. Ms. Vité explained that the timeframe was changed to 10 months because one of the main GDSs only kept fare information for 10 months so there would not be a fare for the airlines to refer back to. In order to have a dispute run its course properly, the intention was to ensure the information was available in order to have a valid dispute process. The PBD item had been very long process, going through many iterations. She suggested that the revisions be allowed to go ahead for effectiveness 1 April on the understanding that it would be continuously reviewed to ensure it was fit for purpose. If in September they could already see that the process was not working out as intended, there would still be time to review it and amend it as necessary and bring that to Conference in November.

212. The WTAAA representative did not find that an acceptable approach. As a travel agent of 34 years standing, he could confirm that there were a lot of tickets that were valid for 12 months. It seemed an odd reason to make this change because of one GDS and it would be disadvantaging the travel agent.

213. Mr. Rodriguez thanked him for the feedback and felt it would be a good opportunity for the agent representative to raise this issue with the GDSs when they were at the TIP TAG the following day.

214. The PAConf Chairman had some sympathy with the agent representative's concern. Assuming the offending GDS was there tomorrow, he believed they should join forces and put pressure on them to return to the standard of 12 months. It was a very onerous proposition to reduce it for all agents having heard it was only one GDS. He suggested they wait for the reaction from the GDS tomorrow and in the meantime suspend that part of the MV (1.10.5.7).

215. The WTAAA representative also highlighted another issue with paragraph 1.10.5.7, where it referred to an agent initiating a dispute on the 30th day. He thought this should say 'if an agent responds to a dispute on the 30th day'.

216. It was agreed that the PAConf Chairman would review the mail vote off the floor with IATA to see what action might need to be taken.

Action: PAConf Chairman/Ms. Vité/Ms. Pettersson

ITEM 8 – ILLEGAL WILDLIFE TRAFFICKING

217. This item was not taken due to time constraints.

ITEM 9 – WTAAA PAPER

218. Dealt with under previous discussions and referred to TIP TAG.

ITEM 10 – ADM MANAGEMENT & REDUCTION PROJECT PROGRESS

219. This item was not taken due to time constraints.

ITEM 13 – ANY OTHER BUSINESS

ITEM 14 – DATE AND PLACE OF NEXT MEETING

220. The PAConf Chairman reported that PSG would be meeting again in May. At the end of that meeting he would see where they were in terms of preparation of all the material for the package. If the package was nearly complete they would probably need a 2 day PAPGJC meeting next time. He asked members to take note of the following meeting dates:

4/5 July - LON or GVA (tentative) – PAPGJC - TBC after the May PSG
12/13/14 September PSG/PAPGJC – GVA - yet to decide which comes first

CLOSE OF MEETING

221. As it was getting late, the Chairman thanked everyone for their participation and closed the meeting at 19.45 hours on Thursday, 16 February. She asked those members who were staying on for the TIP meeting the following day to be available for half an hour before the start of the meeting to go through the action items under agenda item 3.