

COMPETITION TRIBUNAL
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May 30, 2008

CT- 2008-006

Chantal Fortin for / pour
REGISTRAR / REGISTRARE

OTTAWA, ONT.

0031

COMPETITION TRIBUNAL

File No.: CT- 2008-006

Registry Document No.:

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

IN THE MATTER OF an application by the Canadian Standard Travel Agent Registry, doing business as CSTAR, for an order pursuant to section 103.1 granting leave to make application under section 75 of the *Competition Act*;

AND IN THE MATTER OF an application by the Canadian Standard Travel Agent Registry, doing business as CSTAR for an interim order pursuant to section 104 of the *Competition Act*.

BETWEEN:

CANADIAN STANDARD TRAVEL AGENT REGISTRY
doing business as CSTAR

Applicant

and

INTERNATIONAL AIR TRANSPORT ASSOCIATION
doing business as IATA

Respondent

AFFIDAVIT OF BRUCE BISHINS

Affirmed May 30, 2008

I, **BRUCE BISHINS**, of the city of Toronto in the Province of Ontario AFFIRM
AND SAYS AS FOLLOWS:

1. I am president of the Applicant, Canadian Standard Travel Agent Registry, doing business as CSTAR ("CSTAR"), and also Vice President of Helen Thompson Travel, Toronto, a travel agency seeking representation, along with other travel agencies in the matter, and as such, have knowledge of the matters hereinafter deposed to, except where such matters are stated to be based on information and belief, and where so stated, I verily believe these matters to be true.

2. I make this Affidavit in support of: (i) an application by the Applicant, CSTAR, for an order pursuant to section 103.1 of the Competition Act, R.S.C. 1985, c. C-34, as amended (the "Act") granting leave to the Applicant to make an application pursuant to section 75 of the Act; (ii) an application for an interim order pursuant to section 104 of the Act and (iii) an application pursuant to section 75 of the Act, all against the Respondent, International Air Transport Association ("IATA").

3. I am an expert on IATA/BSP and ARC (U.S.) (Airline Reporting Corporation) procedures having managed and conducted the training programs for both IATA (in Canada) and ARC/ATA (in the U.S.) (Air Transport Association). I am also and author and editor of the "BSP Canada Manual for Passenger Sales Agents" and well as the "Travel Agent's Handbook" (USA).

4. I have had extensive experience in the airline industry as well as with travel agencies and agency associations. In addition to working directly for seven different airlines, I have worked for the Air Transport Association (ATA) the U.S. counterpart of IATA. My job there was to develop training programs on ticketing, reporting, and remitting procedures. The settlement plan formerly operation by ATA, is now known as "ARC" – the Airline's Reporting Corporation.

5. I also work for the Airline Training Council ("ATC"), which I started in 1980 and which continues today. ATC does training for travel agencies and airline personnel on ticketing, reporting and remittance practices. In 1991, I was asked by IATA to come to Canada to create training programs on their behalf to be implemented with travel agencies and airlines. I worked on contract for IATA in this capacity from 1991 until

1998. In 1998, I became a Director of CSTAR, and in 2000, I commenced working with Helen Thompson Travel on a management contract.

6. A discussion of interim relief is planned for a teleconference to be held among the parties on Friday, May 29, 2008.

Summary Points

7. I provide this supplemental affidavit in order to highlight the following facts in answer to Justice Simpson's Amended Notice to Counsel dated May 30, 2008, in which the Tribunal requested evidence on whether IATA could, from a technical point of view, obey an order for the continued use of paper tickets only in Canada:

8. The short answer is yes, easily. The reasons are as follows:

(a) There is a global IATA database which keeps track of each country or region's Billing and Settlement Plans ("BSPs"):

(i) For each BSP, IATA can instruct the Global Distribution System (GDS) to indicate whether a paper and/or electronic ticket is accepted from that BSP. Not all BSPs are the same – although the vast majority facilitate electronic tickets, all can facilitate paper tickets at this time. Allowing paper and electronic tickets to be issued from Canada's BSP would be even simpler than changing the database to allow only electronic tickets as it would involve mean keeping the status quo;

(ii) The value allowing paper and electronic tickets, rather than electronic tickets only, can be applied exclusively to Canada's BSP.

(b) When a paper ticket is issued by a travel agency through a GDS, the ticket and settlement data is reconciled with the airline's own reservation system. As a result, if an IATA paper ticket is issued by a travel agency in Canada, that passenger will be able to present the ticket for boarding anywhere in the world;

(c) This Tribunal will not have to order airlines to accept paper tickets as the airline is contractually bound to honor an issued paper ticket – the airline is the legal issuer for every ticket, not the travel agent.

(d) Most airlines could not unilaterally cease to accept paper tickets anyways as they are party to MITAs– Multilateral Interline Traffic Agreements. These agreements allow passengers to use a standard travel document like a ticket to travel on multiple airlines in order to reach a final destination. These agreements require the airlines to accept issued paper tickets for this kind of travel and IATA has reminded the airlines of their obligation to do so. (See **Exhibit “A”**: a copy of an IATA memorandum sent to all airlines, available on the IATA website).

(e) Finally, IATA’s global corporate headquarters is located in Montreal, Quebec.

Background

9. IATA is a trade association of airline companies. It provides a variety of services to the airline industry. IATA controls travel agency accreditation for all airlines in all countries, except in the U.S. (where accreditation is handled by the separate organization ARC). Any travel agency operating in Canada that wishes to have the capacity to issue airline tickets must be accredited by IATA.

10. Within IATA, there is a body, IATA Distribution and Financial Services (“IDFS”) responsible for travel agency reporting and remitting programs. Under this group, 85 separate Billing and Settlement Plans (“BSPs”) are managed. A BSP is a reporting system which reconciles tickets issued by travel agencies with the airline’s reservation database. Payment and settlement is made by the BSP to the carriers.

11. Each BSP has a roster of participating airlines. Participation in a BSP allows a travel agency who has an agreement with IATA to put the name of a member airline onto a blank, or “neutral” ticket. Rather than each airline supplying its own ticket stock (such

as those used at airline offices) to every travel agency, a travel agency can issue paper tickets for any airline that is a participant of the BSP.

12. An IATA paper ticket is the blank or neutral ticket which can be used to issue paper tickets by a travel agency on behalf of an airline. Canada's BSP comprises some 120 airlines.

13. IATA is responsible for the accreditation system in approximately 160 countries. Some countries have their own BSP, while others operate through regional BSPs. Canada shares its BSP with Bermuda.

14. The GDS is the electronic distribution infrastructure created as a way to keep track of flight schedules, availability, and prices. By way of background, airlines used to have their own reservation systems, and all reservations were controlled by that airline. Travel agencies could only book tickets by dealing directly with the airline. In the 1960s, airline companies moved to automate the process by which travel agencies could book flights through them.

15. The airlines developed "agency versions" of their reservation systems. For example, American Airlines developed SABRE. In Canada, two systems were developed: "RESERVEC" by Air Canada, and "PEGASUS" by Canadian Air. Eventually, these two systems were merged into one: "GEMINI". These systems became known as GDSs, or Global Distribution Systems.

16. The major GDSs were consolidated into four large systems in North America: Sabre, Worldspan, Galileo, and Amadeus. For the most part, these systems are no longer owned or operated by the airlines which created them. Galileo and Sabre comprise the highest number of travel agency subscribers in Canada. GDSs earn revenue from airlines who pay to be a part of the GDS so that travel agencies can sell tickets and access the airlines' reservations through the GDS.

17. Any travel agency in Canada desiring to participate in Canada's BSP must subscribe to at least one of these GDSs. GDSs also provide equipment installed at the travel agency which allows the travel agent to view the airline's reservation system, look

for inventory and availability, obtain a fare quote, and check flight schedules and to issue tickets in the GDS.

18. If the travel agent books a ticket, GDS will either issue a paper ticket, or an e-ticket, depending on what the agent requests. GDS systems must be certified by IATA in order to participate in the BSP.

19. The GDS transfers the data relating to the purchased ticket to the BSP once the transaction is completed. Generally speaking, at the end of the week, IATA, through the BSP, obtains a "hand off tape" from each GDS. This tape shows data for each transaction: all tickets purchased, whether the tickets were paid for in cash or credit etc. IATA then debits the travel agency's account for each transaction.

20. An important point to note is that the GDS system inputs the ticketing information directly into the airline's reservation system. To illustrate: a client who purchases a paper ticket from an agent in Canada for a flight to Geneva, Switzerland on Air France approaches the Air France check in counter and presents the paper ticket. At that point the ticket coupon is verified against the Air France's own reservation system, not a GDS, because the GDS reconciled the information at the point when the paper ticket was issued.

21. A passenger cannot have a paper ticket for which there is no reservation record in the airline's system. 100% of the ticket data used in BSP Canada for the issuance of paper tickets is already captured and processed electronically through data supplied by Canada's GDSs.

Transition to E-Ticketing by IATA

22. The movement towards global use of electronic tickets (or e-tickets) began in 1995. The process towards creating an e-ticket system was very slow, although it was generally recognized to allow for more efficient processing of transaction. Travel agencies were generally supportive of this move.

23. In 2004, IATA launched an initiative called "Simplifying the Business". Under this initiative, IATA established a deadline for all travel agencies and airlines to eliminate paper tickets.

24. The transition proved to be more difficult than many in the industry anticipated. Airlines were not able to automate all types of transaction. For example, tickets for infants, for groups, for travel involving over 16 segments etc. were not able to be automated. Nevertheless, travel agencies were eventually instructed by airlines that if it were possible to issue an e-ticket, then they were required to do so, or face monetary penalties.

25. IATA set the date of December 31, 2007 as the deadline for airlines to provide the industry with a 100% e-ticketing environment and capability.

26. The airline industry was not able to meet this deadline for several significant reasons, the most challenging of which related to interline e-ticketing agreements. These agreements are negotiated between airlines, and allow a passenger to be issued tickets with itineraries involving more than one airline carrier. These agreements took the form of either *paper* interline ticketing agreements, or *electronic* interline ticketing agreements. The majority, if not all, airlines had interline ticketing agreements for paper tickets. However many have been slow to adopt or negotiate sufficient electronic interline ticketing agreements. As a result, a significant number of interline tickets must still be issued in paper form.

27. In June 2007, six months before its stated deadline, IATA held its annual General Meeting in Vancouver. It became evident at that meeting that the deadline would not be met – too many transactions had not been automated by the airlines, and too few electronic interline ticketing agreements had been negotiated.

28. IATA opted to extend the deadline to May 31, 2008. However it made an important change in its objective: only travel agencies would be required to move to e-ticketing by that deadline, not airlines.

29. As such, IATA chose to target paper tickets at travel agencies only by stopping supply of IATA tickets through BSPs. As a result, travel agencies would no longer be able to issue tickets for entire categories of clients.

Request for Interim Relief

30. I believe that should interim relief be granted, any effect on BSP Canada will not affect any other BSP in the IATA system. Each BSP already has unique processes and variances in most all BSP countries and regional processing centres. There are some 85 BSPs around the world, many having unique processes.

31. BSP Canada has always been very unique in terms of ticketing input, processing and data capture due to Canada's complex tax levels, specialized processing requested by Air Canada, and the often diverse nature of specialized fares and travel agencies in Canada.

32. BSP Canada is also the processing and settlement facility for travel agencies in Bermuda, however, the approximately 14 travel agencies in Bermuda are easily and systematically identifiable. Furthermore, BSP Canada has unique processes for Bermuda agencies, which underscores the fact that not only are individual BSPs often unique, but even within a given BSP, processes may also be unique.

33. The four GDSs have control over the actual ticket issuance in the BSPs, thereby easily and programmatically allowing travel agencies in Canada to issue paper tickets, while inhibiting agencies in all other countries from doing the same, including inhibiting the travel agencies in Bermuda which report within BSP Canada.

34. From a passenger acceptance point of view, any continuation of paper tickets in Canada would not negatively impact passenger travel or acceptance at airports for the following reasons:

- a) Any interim order to prevent IATA from proceeding with its directive would simply require IATA to keep the status quo. It is as easy for IATA to allow paper tickets past June 1, 2008 as it is to stop them;
- b) Furthermore, airlines themselves will continue to have paper tickets on/after June 1, 2008, as well as U.S. travel agencies;
- c) Paper tickets issued by all BSP agencies prior to June 1, 2008 will be in the marketplace for up to 24 months: 12 months from the date of issue if the ticket remains unused or 12 months from the date of first departure if used.
- d) A ticket is a contract for transportation and must be accepted by all carriers included in the routing which have an in-force paper interline ticketing agreement (such as MITA, Multilateral Interline Traffic Agreement). While an airline can unilaterally choose to stop issuing paper tickets, it cannot refuse to accept them without violating in-force paper interline ticketing agreements. It is important to note that the airline is the issuer, not the agent, and it is the airline who is contractually obligated to honor paper tickets.
- e) As described in paragraphs 20-21 as long as IATA supplies the neutral paper tickets to travel agencies, and the GDSs are allowed to issue paper tickets, there is no risk that a passenger issued a paper ticket in Canada will not be able to travel with that ticket elsewhere in the world: the ticket data would have been automatically inputted into the airline's own reservation system.

35. Accordingly, the I believe that there is no reason that a continuation of paper tickets in Canada only (BSP Canada) would have any impact whatsoever on IATA's plans to eliminate paper tickets in other IATA BSPs.

36. In support of the my statements in paragraph (34) above, the I will additionally rely on:

- a) IATA Fact Sheet: Documents and Facilities to Record Payment in BSPs on/after 1 June 2008; (attached herewith as **Exhibit "B"**);
- b) IATA Frequently Asked Questions: Transition to 100% ET Webcasts; (attached herewith as **Exhibit "C"**).

Failing to stay IATA's plans will result in passenger chaos

37. As described above, IATA's plan to move towards e-ticketing exclusively is only being applied to travel agencies, not airlines. Certain categories of tickets have still not been automated – which means that an electronic ticket cannot be issued for them. The overwhelming majority of airlines have not established a plan for how to handle the issuance of these kinds of tickets should IATA block travel agencies from issuing them:

38. Further to the affidavit sworn by me on May 20, 2008, I would like to update the following information:

39. As of today, 23 of approximately 120 BSP Canada participating airlines have issued instructions to travel agents as to how to accommodate paper ticket transactions on or after June 1, 2008. That is to say that approximately 80% of BSP Canada airlines have provided no instructions as to how travel agents should issue transactions when they are not e-ticket eligible. This adds to the irreparable harm to the agency's reputation and business, when customer requiring tickets on these airlines will simply be told they cannot be assisted, and will have to go either to the airline directly, or to a U.S travel agent.

40. In addition, of these 23 airlines, 3 of the airlines require the travel agent to contact the airline and have a ticket mailed to the passenger (including both Air Canada, and Lufthansa Airlines, which require 10 business days advance notice – this advance notice being impractical and unrealistic, particularly for corporate and government travellers).

41. Twelve of the 23 airlines require the passenger to obtain a payment document from the travel agency, called a "V-MPD" which will then be exchanged by the

passenger at the airport prior to departure for a paper ticket. It is my expert experience that the vast majority of carriers have limited ticketing staff at the airports, where most airport staff is dedicated to check-in processes. It will be without doubt a chaotic scene at airports where all passengers with V-MPDs worldwide, will be presenting themselves for exchange of the V-MPD for paper tickets. The airlines are simply not equipped nor staffed to accommodate the high number of passengers which will require exchange for paper tickets, and it will be clear that even with up to two hours advance time, some passengers will not be able to obtain their ticket in time for the departure of their flight. Passengers will be substantially at risk.

42. Accordingly, allowing Canadian travel agencies to continue issuing paper tickets as they have done so for decades, would result in better assurances to the passenger of problem-free travel without the added concerns of having no ticket prior to arrival at the airport, followed by the chaos of trying to exchange the V-MPD for an actual ticket at understaffed and overly taxed check in facilities.

43. It is worth noting, that even if all BSP Canada participating carriers did have an alternative ticketing plan using V-MPDs for payment, and providing for exchanges at the airport, only 68 of the 120 BSP Canada participating airlines have provided access to V-MPDs to travel agencies in Canada.

44. The remaining approximately 80% of airlines have not established any plan whatsoever for dealing with tickets that are not e-ticket eligible. There is no fallback or alternative plan for these airlines. As a result, travel agents will be forced to simply turn these passengers away.

Response to Affidavit of Mr. Feldman, Sworn May 30, 2008

45. This Affidavit is also provided in response to the materials submitted by IATA this morning, including the Affidavit of Mr. Michael Feldman, sworn on May 30, 2008. The affidavit of Mr. Michael Feldman contains significant misapprehension of the facts, and raise issues which are either not relevant nor valid with respect to continuing paper tickets in Canada. My specific comments are as follows:

- a. In paragraph (10), Mr. Feldman states that IATA's e-ticketing initiative announced in June 2004 was for the full elimination of all e-tickets from all BSPs. However, it was the understanding of the industry that this included airlines as well. It only became apparent in April 2007 that airlines would not be forced to give up their own paper tickets, nor would travel agencies in the U.S. be required to give up paper tickets. As a result, CSTAR's concerns regarding industry solutions to the lack of paper ticketing, were directly impacted as to inequity of only travel agents outside the U.S. giving up paper tickets, and undue burden placed on these agencies to operate and conduct business in an uncompetitive, unlevel marketplace as well as the airlines' failure to provide complete solutions to the lack of paper tickets in that they did not have to do so for themselves or travel agents in the U.S. – the largest agency marketplace in the world.
- b. In paragraph (15), Mr. Feldman states that the IATA Board of Governors [in June 2007], indicated that the level of e-ticket penetration was not high enough to guarantee a successful transition to 100% e-ticketing by December 31, 2007. This situation has not substantially improved, nor have any of the additional reasons for the lack of e-ticketing by the industry been resolved or instructions provided to agencies as to how to handle these transactions.
- c. In paragraph (17), Mr. Feldman states that these changes to industry participants "cannot now be reversed", without any evidence or substantiation as to this comment.
- d. In paragraph (18), Mr. Feldman states that IATA does not control airlines, GDSs, airports or third parties, however the reality is that IATA sets standards, procedures, ticketing formats, and documents which the industry, in particular the BSPs, are obligated to use, and where the GDSs must maintain their certification by IATA through compliance with all

IATA mandates and resolutions. Thus IATA has understated the degree of its influence and control over the operations for ticketing in the industry.

- e. In paragraph (23), Mr. Feldman states that “GDSs, in reliance on the deadline set by IATA” further underscores our contention that IATA controls GDS compliance with BSP processes, but furthermore he suggests that the GDSs have “reengineered” their systems to eliminate the ability to enable the issuance of paper tickets. This is, as previously stated, a simple matter of changing a flag in the database regarding such enablement, or in the case of Canada, preserving the status quo.
- f. In paragraph (25), Mr. Feldman states “IATA has no agreement with GDSs, apart from certification.” However, certification is only granted when the GDSs is in full compliance with IATA’s mandate. Therefore, IATA has effective control over all GDS processes related to ticketing in a BSP.
- g. In paragraph (27), Mr. Feldman states that “without action by the GDS to reenable the issuance of paper tickets, IATA will not be able to effectively reactivate the issuance of paper BSP tickets.” However, as to Canada, there is no “reactivation” contemplated, but rather a preservation and order to retain the status quo.
- h. In paragraph (29), Mr. Feldman implies the inability of the GDSs to maintain the status quo in Canada, without any evidence to that effect, and states that IATA has no ability to give direction to the GDSs, which we have stated in previous paragraphs is untrue.
- i. In paragraph (32), as to airlines, the “substantial changes” alluded to as to why airlines may not be able to manage paper tickets after June 1, 2008, is belied by the fact that airlines themselves will continue to have, handle

and process paper tickets, as well as those paper tickets issued by U.S. travel agencies.

- j. In paragraph (33), Mr. Feldman states that the influence and desire to change to an all e-ticketing environment were decisions and trends promulgated by individual airlines, however, the truth and reality is that it was IATA itself which led the charge and initiative to force the industry to make such a change.
- k. In paragraph (35), Mr. Feldman states that even if IATA were compelled by the Tribunal to continue paper ticketing in Canada, that airlines could not be required by IATA to continue to accept or allow agents to issue paper tickets. However, the reality is that the same instruction and influence from IATA to airlines to terminate paper ticketing as of June 1, 2008, is evidence of IATA's ability to do the reverse – that is, to maintain paper ticketing. It is without question, clear that the airline industry would not have moved to an all e-ticket platform on June 1, 2008, if it had not been for IATA's mandate to do so.
- l. In paragraph (40), Mr. Feldman states that the printers who manufacture tickets on behalf of IATA, have "likely" destroyed the printing plates for paper ticket stock. However, there is no evidence presented of this fact, and I assert it is highly unlikely that a printing company would destroy such materials. It should further be stated, that there are ample vendors willing and highly desirous of printing paper tickets, and have experience and in-depth knowledge of facilitating and provisioning the format of tickets required in BSPs. This is particularly true, as the industry continue to have paper tickets in the marketplace.
- m. In paragraph (46), while IATA has referred to a substantial investment to remove ticket stock from travel agencies, there are no costs directly associated with preserving the status quo.

- n. In paragraph (47) Mr. Feldman states that thousands of airline staff and handling agents have been briefed to not accept paper tickets. There is no evidence of this being true. Furthermore, even if this were true, it is unclear why airlines could not simply notify staff to accept Canadian BSP issued paper tickets – just like U.S. ARC paper tickets will continue to be used and accepted. Finally, when a paper ticket, which has been validly issued from a Canadian travel agency, is presented at the check in counter, that ticket is associated with a valid reservation in the airline's own computer system. Therefore, all agents, will be able to verify the validity of the paper ticket in their computer – regardless of any briefing they have received to date.
- o. With respect to paragraph (50), Mr. Feldman states that it would be “very difficult” for any check in agent to identify a BSP ticket issued in Canada. I point to Exhibit A in my earlier affidavit, sworn May 20, 2008. The following indicators prove that such an assertion is false:
- i. The “total” box, as well as all of the tax boxes, are priced in Canadian dollars, and clearly designated with the code “CAD”;
 - ii. The city and province in Canada is clearly indicated in the “Place of Issue” box;
 - iii. The vast majority of these tickets will start from a place in Canada;
 - iv. The IATA Agency code number for tickets issued throughout Canada (codes 60-71) are also indicated in the “Place of Issue” box.
 - v. Furthermore, the reservation record in the airline's own system identified similar information as to the location of the travel agency being in Canada;

- vi. Finally, it must be noted that for up to 24 months from the date of issue of a BSP Canada ticket prior to June 1, 2008, such tickets will be readily visible and accepted by all airlines in the marketplace.

- p. In paragraph (57), Mr. Feldman states that it would “impossible to change the IATA BSP data processing center” to continue to recognize paper tickets in Canada after June 1, 2008. There is ample evidence to suggest that changes to IATA’s ticketing routines and BSP operations can continue as the status quo. By way of example, attached as “**Exhibit D**”, is a copy of an IATA-issued memorandum to all travel agents stating that despite the plan to close the local processing center in Canada, effective May 31, 2008, there were various transactions particularly a significant number of transactions in the Sabre GDS which could not be electronically processed. IATA provided an extension until September 30, 2008 to maintain a manual system for these transaction. In fact, IATA has now easily provided two major extensions to its own e-ticketing “deadlines” which contradicts Mr. Feldman’s assertion.

- q. In paragraph (62) Mr. Feldman states that inconveniences, while possible, are only transitional. However, as we state in paragraph 45, the injury caused by 80% of BSP Canada participating airlines having no solution or fall-back has indeed substantial consequence and impact on the business operations of travel agents.

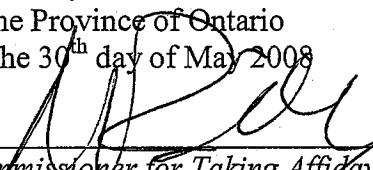
- r. In paragraph (63), Mr. Feldman states that 25,000 paper tickets were issued in BSP Canada in April 2008. It is significant that 25,000 passengers a month who require paper tickets will be either grossly inconvenienced in obtaining tickets from the 20% of airlines who have provided questionable alternatives, or simply not accommodated at all by the 80% of airlines who have provided no alternatives. This is hardly “deminimus” nor transitional.

- s. In paragraph (66), the “work around solutions” Mr. Feldman alludes to, are non-existent in 80% of the BSP Canada participating airlines.
- t. In paragraph (67), Mr. Feldman states that IATA has developed a solution known as V-MPD, however, Mr. Feldman fails to state that only 68 of the 120 airlines have enabled access to such a solution in Canada.
- u. In paragraph (68) Mr. Feldman states that GDSs have provided an alternative solution through the V-MCO, which permits passengers to complete transactions similar to a V-MPD and to obtain an exchanged paper ticket. Mr. Feldman cites a press release from Sabre as Exhibit D. Mr. Feldman’s assertions regarding the V-MCO are false:
 - i. As indicated in our “**Exhibit B**” (The IATA fact sheet), the V-MCO is not deployed in OPTAT markets, and Canada is an OPTAT market;
 - ii. No GDS in Canada, to date, has informed agents about V-MCO being available;
 - iii. I personally spoke with Mr. Jamie McNair, General Manager of Sabre in Canada, who advised that V-MCO is not a solution available now in Canada, nor a solution for the lack of paper ticket problem.
- v. In paragraph (79) Mr. Feldman states that CSTAR has “come too late” to seek relief regarding an initiative which has been ongoing for the past four years. However, Mr. Feldman fails to state that it only became apparent in April 2007 paper tickets would be removed solely from travel agencies, and that the industry had not provided the necessary solutions and work-around for 100% e-ticketing. Furthermore, every effort to work with BSP Canada officials, resulted in no interest by IATA to discuss the matter, as is further evidenced in IATA’s refusal on April 23, 2008, to meet with worldwide travel agent organization in Geneva, Switzerland, to discuss the


clear chaos which would result from a premature move to 100% e-ticketing.

The document that is being electronically submitted to the Tribunal is an electronic version of a paper document that has been signed by the affiant. The signed document in paper copy is available and will be produced if requested by the Tribunal.

AFFIRMED BEFORE ME
at the City of Toronto
in the Province of Ontario
on the 30th day of May 2008



Commissioner for Taking Affidavits

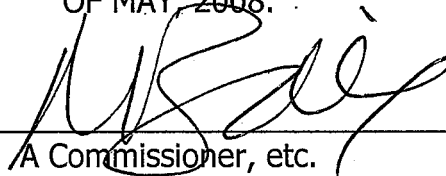


BRUCE BISHINS

Name:
Nawel Bailey

Exhibits: A, B, C, and D

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF BRUCE BISHINS
SWORN BEFORE ME THIS 30th DAY
OF MAY, 2008.



A Commissioner, etc.

Michael Feldman, Director of Passenger Services, published the following message on April 25, 2008 to the PSC Accredited Representatives regarding Acceptance of Paper Tickets under the Provisions of MITA (Resolution 780).

1. IATA is aware of unilateral action being taken by some airlines who are advising their interline partners that they no longer will accept paper tickets from a certain date.
2. IATA is also aware of some airlines who are contacting their interline partners to enquire if they plan to continue to accept paper tickets after 1 June 2008.
3. Please be advised that under the provisions of Resolution 780, all parties to MITA are obliged to accept paper tickets. Therefore there is no need for members to seek clarification regarding the continued acceptance of paper tickets.
4. There is currently no provision in Resolution 780 for members to "opt out" of accepting paper tickets, therefore all parties to MITA cannot take unilateral action to restrict paper ticket acceptance from their interline partners.
5. If your airline wants to cease acceptance of paper tickets from your interline partners, or if you want your interline partners to cease the issuance of paper tickets for travel on your services, then you need to seek a bilateral concurrence to this effect outside the provisions of MITA Resolution 780.
6. As you are aware, from 1 June 2008 all travel agents in the BSP system will be inhibited from issuing paper tickets. However, tickets issued by travel agents prior to 1 June will be valid for travel theoretically 1 year after issuance, depending on the fare conditions.
7. 100% ET applies to the BSP system as of 1 June. MITA members may continue to issue paper tickets on their own stock for travel on interline partners, unless bilaterally agreed as noted above.
8. Members are at liberty to stop issuing paper tickets themselves at any time and issue only electronic tickets as validating carrier.
9. Regarding travel agents in the ARC system, they are not inhibited from issuing paper tickets on your behalf. If you wish to provide instructions to ARC to inhibit your ARC agents from issuing paper tickets, kindly contact their customer support centre at csc@arccorp.com
10. Please do not hesitate to contact Michael Feldman, feldmanm@iata.org, if you require any further clarification regarding the acceptance of paper tickets.

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF BRUCE BISHINS
SWORN BEFORE ME THIS 30th DAY
OF MAY, 2008.


A Commissioner, etc.



FACTSHEET

Documents and Facilities to Record Payment in BSPs on/after 1 June 2008

To facilitate the issuance of a ticket by a BSP participating airline, a travel agent may be able to take payment as a Prepaid Ticket Advice on a miscellaneous document (if the airline allows). In addition, travel agents may be required to issue miscellaneous documents for the collection of other charges such as group deposits and penalty fees. What type of document can be issued on/after 1 June 2008 for these transactions? A table is shown below.

Product Name	Supplied By	What is it?	Where is it available?	How to use it
<p>V-MPD</p> <p><i>Sometimes referred to as MV50, MCO, MPD.</i></p>	<p>IATA via the BSPlink web based portal</p>	<p>An interim solution that allows travel agents to issue an MPD without the presence of paper until such time as the EMD is available.</p> <p>The V-MPD is a virtual representation of the manual handwritten paper MPD but reported in a manner similar to the automated MCO. No value coupon is produced. It is an instrument of exchange. When used as an exchange document it shall be treated as a paper document</p> <p>It is not an electronic MCO (eMCO)</p>	<p>In all BSPs via BSPlink with the exception of China</p>	<p>To deploy the V-MPD each carrier should contact the local BSP Management to open the function. Each airline should then authorise their agents. The V-MPD document is completed online and the airline receives an email notification. There is no PNR interaction. The agent must complete the PNR in the same way they did with manual documents. Useful for low volume transactions where no back office functions are needed. Detailed information available at https://www.bsplink.iata.org/ in the customer manual section of the download centre.</p>



Product Name	Supplied By.	What is it?	Where is it available?	How to use it.
<p>vMCO</p> <p><i>Sometimes referred to as</i></p> <p><i>Auto MCO, coupon-by coupon MCO, MD50, plain paper MCO, blank card MCO, paperless MCO, MPD</i></p>	<p>All the major GDSs in former OPATB2 markets subject to demand. It is not deployed in OPTAT markets.</p>	<p>An interim solution that allows travel agents to issue an automated MCO without the presence of a paper value coupon until such time as the EMD is available.</p> <p>The vMCO is exactly the same as the automated coupon-by-coupon MCO (MD50), however no value coupon is produced. It is an instrument of exchange. Can be used effectively where no value coupon is needed; for example collection of amendment fees or PTAs.</p>	<p>In some BSPs, former OPATB2 markets as determined by the GDS.</p>	<p>To deploy the vMCO all airlines and agents should contact their GDSs to determine availability in a market.</p> <p>Used in exactly the same way as the paper automated coupon-by-coupon MCO in those markets where it was deployed. Issued via the GDS PNR. Provides interactivity to agency back office functions. The only difference is there is no value coupon produced. More detailed information available from your GDS.</p>
<p>EMD</p> <p><i>Sometimes referred to as EMD-S, EMD-A, Electronic MCO, eMCO.</i></p>	<p>Not currently available</p>	<p>The preferred solution for the issuance of other documents and excess baggage tickets.</p> <p>The Electronic Miscellaneous Document (EMD) will be available in a stand alone (EMD-S) and associated (EMD-A) version</p>	<p>Not currently available in the GDSs and BSPs.</p>	<p>It will be capable of being used like an electronic ticket in that it will have up to 4 value coupons that have the potential to be lifted with the electronic ticket (EMD-A) or can stand alone (EMD-S) for residual balances and refunds. It will replace all other documents including excess baggage tickets. More detail information is published in the PSC Resolutions 725f and 725g.</p>



Product Name	Supplied By.	What is it?	Where is it available?	How to use it.
<p>Other Paper Miscellaneous Documents</p>	<p>IATA in some limited BSPs only where they already exist today</p>	<p>An interim solution to allow travel agents to continue to issue paper miscellaneous documents (whether automated or manual) where they exist today until such time as they can be removed from the market and replaced by an alternative paperless solution.</p> <p>Does not apply to OPATB2 markets where the stock has already been withdrawn.</p>	<p><u>ASIA PACIFIC</u> Australia New Zealand Philippines Thailand/Cambodia Japan Korea India French Overseas Territories Micronesia</p> <p><u>MENA</u> Saudi Arabia</p> <p><u>N.ASIA</u> China</p> <p>Manual documents have been removed from all other BSPs</p>	<p>No changes to the usage of these documents. They will continue to be issued and used as they were up to 31 May 2008.</p>

Notes:

- IATA is taking steps with its Members and industry partners to determine how best to deploy the industry agreed preferred method of the EMD quickly to market.
- The V-MPD, vMCO and other paper documents should be seen only as temporary and interim solutions until such time as the EMD is deployed by the airlines and GDSs.

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF BRUCE BISHINS
SWORN BEFORE ME THIS 30th DAY
OF MAY, 2008.



A Commissioner, etc.

Date: May 13, 2008



Frequently Asked Questions Transition to 100% ET Webcasts

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[Paper Tickets after 1 June](#)

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1. V-MPD and other ticketing alternatives

Q. How does a V-MPD work? How would it be displayed in a PNR?

A. V-MPD is a separate application on the IATA BSPlink portal. The online form is completed in a Microsoft Windows environment and contains boxes similar to a paper ticket. Once the transaction is completed, your airline local office receives an email for servicing. They can then also download a copy of the V-MPD from BSPlink.

Q. Is it necessary to mark a V-MPD as used?

A. It is not necessary but in the V-MPD environment you are allowed to, and encouraged to, mark it as used. It is to be noted that only an Airline can mark a V-MPD as used.

Q. Will the V-MPD be accepted by a carrier by default as of 1 June, or does it have to be mutually agreed with the carrier and each GDS?

A. Airlines need to inform every BSP where they do business by contacting the local BSP manager and let them know that you will accept the use of the V-MPD. Then each travel agent needs to be given ticketing authority. This can only be given to agents who already have ticketing authority for tickets via the GDS. There is no interaction between the V-MPD and the GDS. All interaction into the PNR is manual.

Q. How can one identify that a V-MPD has been used in the exchange transaction to issue a ticket?

A. You can distinguish a V-MPD as it has a different transaction type: MV50. Additionally, the V-MPD has the unique form code 180. Together these two should allow you to identify transactions recorded on the V-MPD. As today, you will be able to record the original document number in the "original issue" area and the "issued in exchange for" area of your own paper ticket, ET or electronic other document. Once the V-MPD has been reissued, remember to mark the V-MPD as used in BSPlink.

Q. What would happen if the airline does not check for new V-MPD s the same day they are issued, or if a V-MPD is issued after the business hours of the airline?



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A. This is indeed an issue. If the V-MPD was for an urgent ticket on departure, it is likely that the customer shows up and ground staff are uninformed and unprepared. We recommend that the PNR be populated only after the V-MPD has been submitted. Agents also have the option to have several people receive the email notifying of the issuance of a V-MPD so that someone can be sure to action it.

Q. Can an airline give V-MPD authorization for their staff at the airport to avoid the hassle of V-MPD being late in processing (e.g., if issued after the airline's business hours)?

A. Yes, but the front line staff largely does not use BSP processes such as BSPlink. So it would not be common for them to have access to V-MPD. Again, it is best to advise your booking agents to input all the data into the PNR, which is largely what staff interact with.

Q. Once an airline authorizes V-MPD acceptance, can its use be restricted, i.e. only for Rebooking Fees collection?

A. Yes, V-MPD use can be configured and restricted by various parameters, e.g., reason for issuance code, market, or agent.

Q. Where are we today with E-MCO?

A. Re – Paperless or Plain Paper MCO:

In some markets there is a product known as the Automated MCO or MD50 that is issued using OPATB2 stock. Acknowledging that OPATB2 stock will not be available from 1 June, we understand that the GDSs are able to provide either a plain paper or blank card solution which will allow the transaction to continue via the GDS, albeit with no value coupon produced. You must contact your GDS suppliers in each market you serve to explore if the functionality can be made available.

Re EMD:

IATA is presenting a recommendation to the board of Governors in June for the removal of all remaining paper and an action plan to roll out the EMD. We have received approval from the STB SG to form a task force to oversee implementation. Further information will be communicated as it becomes available.

Q. Why isn't the V-MPD available in China?

A. BSPlink is not currently available to Agents in China, thus V-MPD, a document in BSPlink, is not available. However, it is being worked on.

Q. What is the GDS solution for after MD50 is eliminated on 1 June?

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- A. The automated MCO as we know it, will no longer be available in the BSPs since we are withdrawing the OPATB2 neutral stock. The V-MPD was offered as an alternative solution. However, the GDSs saw V-MPD as a backward step due to the fact that there is no link to a travel agent's back office functions and no automatic update to the PNR. Therefore, in order to maintain the auto MCO, Amadeus decided to develop a plain paper solution that they are calling a V-MCO. They already had a similar solution with their START implementation in Germany. SABRE has also developed a similar product and Travelport has implemented a paperless MCO.

The main difference with this new solution is that there is no "value coupon" produced. However, many airlines have said that the value coupon was unnecessary in most cases. However, for those cases where an accountable document is needed, the customer will need to contact the airline to get such document.

Q. What are the alternatives to ET for countries where there is no BSP?

- A. For non-BSP markets, airlines should provide their own paper stock to agents. IATA will continue to open as many new BSPs worldwide as is practicable. If you would like to issue ET outside of BSP, a number of system providers are offering solutions to do so. We recommend you contact those system providers.

Q. Is the Airline-to-Agent model on Internet Booking Engines advisable to help agencies with the issuance of ET outside the BSP after the deadline?

- A. This is indeed a solution airlines use: they create an agency portal on their website to communicate directly with them.

Q. When V-MPD was first introduced, airlines had the authority to accept or reject the V-MPD. Is it possible to reinstitute this functionality?

- A. No. If an airline has authorized an agent to issue V-MPD, the airline has no cause or basis to arbitrarily reject a V-MPD.

Q. In ARC covered regions will we be able to use V-MPDs?

- A. No, V-MPD is solely an IATA tool.

Q. If any agency is unable to void a V-MPD in the same day, what is the solution?

- A. A Refund Application would need to be raised and the refund process would need to be followed.

Q. Is there a list of which BSPs will or will not distribute manual MPDs after 1 June?

- A. Currently it seems there will be only 11 BSPs with manual documents. This is to be confirmed and a list of documents by BSP sent out shortly. This list will also be

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posted on the ET webcast information site. Check with your BSP to find out what is available in your BSP

Q. Is it allowed to mention the change fee on the reissue instead of issuing a V-MPD for this change fee, as a workaround until the E-MCO is in place?

A. Today's industry standard states that for all miscellaneous fees such as upgrades, a separate document in the form of an MCO shall be issued. However, some airlines are currently incorporating the amendment fee into the price of the reissued ticket. If this solution is viable for an airline despite the lack of clarity it might bring to the revenue assurance process, they are welcome to use it. Some airlines put the amendment fee in the Tax box (e.g., YQ and YR). However, IATA believes amounts in those boxes should only be amounts remitted to government and regulatory authorities.

Q. In countries where an airline does not have an office, how will the V-MPD process work?

A. V-MPD can only work where you are a participating carrier in the BSP. If you do not have an office in a country, you are likely not to be a BSP participant and therefore likely to already have alternatives put in place.

Q. In certain BSPs, V-MPD can be voided by the agent or by the airline upon receiving a V-MPD Void request from the agent and can be authorized within a given time period. Is this standard worldwide?

A. No, it is not standardized and varies from BSP to BSP. Check with each of your BSPs to learn which method is in place. Note that every BSP uses only one method. One advantage of the V-MPD is that airlines can deny the void request, unlike in the paper MPD world.



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2. Interline ET

Q. Is there any way to know which carriers will issue and/or accept paper tickets after 1 June?

A. While several carriers have expressed a desire to stop accepting interline paper tickets issued after 1 June, they are not allowed to do so without breaking their MITA agreement. According to the rules of MITA, airlines who have interline agreements must continue to honor each other's paper tickets indefinitely unless otherwise bilaterally agreed. Any airline can choose to stop issuing paper tickets at any point.

Q. Although interline billing is filed with IDEC, the billing is received from OA sometimes months after the use of the ticket, as most of the ET systems retain the details of the ET for 3 months. Is IATA thinking of upgrading the operational details of the uplifted tickets and reporting in the IDEC?

A. IATA needs to research this question further and will post a reply shortly.

Q. Can two carriers still accept ATB tickets for interline flights issued directly by the carriers?

A. Yes, airlines who are interlining can continue to accept each other's paper indefinitely.

Q. What are the alternatives for an airline that does not yet have 100% of its interline agreements converted to IET?

A. IATA believes that over 90% of airlines' interline business will be covered by IETs by 1 June. Also, the implementation of IET will continue after 1 June, so airlines should continue to work on their interline projects. The IATA Matchmaker process will continue till September to help airlines contact potential IET partners. Where IETs do not exist, the options are for the agent to

- choose to ticket on another airline
- issue two separate tickets for each of the partner airlines
- issue a PTA and have the airline office issue the paper ticket



3. Exchange/Reissue

Q. If an involuntary reroute needs to be done where an interline agreement is not in place, and a carrier is not allowed to do a partial reissue but only to exchange all remaining open coupons, how can the airline that needs to reissue the ticket handle this?

A. Firstly, airlines are allowed to do partial reissues (travel agents are not), although they may choose policies forcing an exchange/reissue for the purpose of audit and control. This will not work in an involuntary reroute situation. You cannot get control of unused coupons from another Validating Carrier based solely on your internal policy of exchange/reissue rather than partial reissue. However, in an involuntary rerouting, as long as you request control of the affected flight coupons with the INVOL indicator, the Validating Carrier must give you control of all remaining coupons to service the coupons. But they will not give you control of the remaining coupons not affected by the reroute. Therefore we recommend you adjust your internal policies accordingly.

Q. Revalidation of an ET is not standard/recommended practice. However certain airlines still do that. What are the negative impacts of revalidation instead of reissue with regards to IET?

A. Reissuance with a new SSR TKNE is the only way the new Operating Carrier can be informed of the transaction. This also allows the Operating Carrier to verify certain revenue aspects, such as whether the appropriate extra fees were collected. These abilities are lost with revalidation. However, exchange/ reissue is more work for agents. IATA will place a proposal on the agenda of the Ticketing Committee to address this issue.

Q. What are the future plans for FIMs?

A. According to current standards, when you have the coupons available for rerouting, for ET you MUST do an exchange/reissue of the affected coupons to the new Operating Carrier. It is no longer permitted to reissue a FIM to the new Operating Carrier unless bilaterally agreed. Standards state that the airline experiencing the delay prepares the passenger for check-in on the new Operating Carrier with a new ET coupon. Since these are ETs, large numbers of ETs can be rapidly and remotely processed by a group of highly trained experts who find new Operating Carriers and re-issue the new ETs. This may be done automatically, so that as soon as passengers land they are redirected to a kiosk at the airport where they receive their new ticket.

In a true Diversion En Route scenario, where coupons are not available, FIMs can be bilaterally accepted. IATA is working on a process to allow these scenarios to be resolved by exchange/reissue rather than FIMs.

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4. Paper Tickets after 1 June

Q. IATA says that neutral paper ticket sales will not be recorded on/after 01 June. Will there be a fee to the travel agency? Will the airlines have to issue ADMs to charge these tickets?

A. Airlines may issue ADMs to charge the travel agent for any paper tickets issued on or after June 1st in the unlikely case that they are somehow not inhibited by the GDS.

Q. How long more will carriers be able to issue paper tickets? Do you have any plan to restrict it?

A. IATA does not have jurisdiction over airline direct sales and therefore cannot prevent airlines from issuing paper tickets indefinitely. Airlines are free to stop issuing paper whenever they like.

Q. Is there a solution to keep paper tickets where it's impossible to set up ET and have airlines pay a fee for this facility?

A. No, the BSPs will be 100% ET on 1 June and there will be no option of issuing paper even if an airline is willing to pay a fee.

Q. Will there be an IATA contingency plan for 1 June in case of any major issue arising at an airline or in a Market?

A. There is no contingency plan per se because agents will have a number of ticketing alternatives available on 1 June if they cannot issue the ET, including having the airline issue the ticket directly if needed.

Q. Should ticketing and check in agents still accept ARC paper tickets while refusing BSP paper tickets issued on/after 1st of June?

A. IATA advises airlines that no longer wish ARC agents to issue paper tickets on their behalf to send a message to ARC to advise them of your policy. Send the message to ARC customer support centre at csc@arccorp.com. However, paper tickets will continue to be issued through ARC, and this dichotomy will add confusion among ticketing and checkin agents. All the more reason for airlines to communicate early and clearly with agents and to educate them on the appropriate procedures for recognizing which paper tickets are to be accepted and rejected.



5. Miscellaneous

Q. There are situations where an agent tries to issue an ET for an ET enabled route but is unable to do because the flight has not yet been scheduled as E eligible. This is because the GDS downloading of schedules from OAG is done with a significant delay. Are there any plans for a dynamic download of schedules by GDSs from OAG?

A. GDS gets an update from OAG 2 or 3 times per week. Since this is not a dynamic update, the SSIM data will not always be up-to-date. However, SSIM data is used primarily for Availability, not the sell part. Most airlines subscribe to the Direct Connect Sell product (also call Interactive Sell, Link Sell, etc). and then the ET indicator is contained in the sell confirmation from the airline. Then the data in the SSIM is not needed. However, if an airline does not subscribe to Direct Sell, then the flight ET eligibility could be invalid. This is only a temporary situation until all segments are eligible, which we hope is not too far off.

As far as the PNR is concerned, the agent types into the PNR via a phone field or remarks or an OSI all the information about what they are requesting the airline to do: the V-MPD number, the routing, the PTA number, the fare, the fare basis etc. They then queue the PNR to the airlines' central servicing point. The staff then prepare the PNR for ticketing. In summary, this process is largely similar to the manual handwritten MPD process as the completion of the V-MPD and the processing of the PNR are manual procedures.

Q. Since PTA is not an industry form of payment for ET, what form of payment should be entered by the airline agent issuing the ET in exchange for the V-MPD?

A. The first three characters of the form of payment field should be "PT/" followed by the actual form of payment (credit card, cash, etc.). For example, "PT/AGT CASH". Or, if the form of payment is unknown, then simply enter "PT/NONREF".

Q. The Nepalese and Russian governments have restrictions on ET implementation. What is IATA doing about this?

A. IATA has proactively engaged with the local government in each of those cases and there no longer exist any regulatory obstacles to the issuance of ET. Nepal's challenge is more of an infrastructure issue now, while Russia's issue is more of providing a valid fiscal receipt for the sale of an ET.

Q. You mentioned that airlines can allow agencies to issue two separate ET when two carriers do not have an IET agreement. In order to do that, must both airlines be subscribed to the agent's BSP?

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A. Yes. If a travel agent decides to issue two separate tickets, each of the Validating Carriers must participate in the BSP. Another alternative would be to find a carrier that has Interline ET agreements with all Marketing and Operating Carriers in the itinerary, and that airline could technically issue the ET even if that airline is not part of the itinerary. However, this functionality is restricted by GDSs by default unless specifically permitted by a plating carrier.

Q. How can a checkin agent distinguish a BSP issued paper ticket from a non-BSP issued ticket?

A. IATA tickets are easily identified by their logo on the front of the ticket and the unique format of the document. IATA recommends providing facsimiles of IATA lifted documents to your agents along with the corresponding ARC documents so agents can learn to differentiate the two.

Q. There are still some GHAs (Ground Handling Agents) that are not ET enabled. Does IATA have any solution for them?

A. IATA has been monitoring GHAs and is aware of the situation. A Ground Handler may not be ET-enabled for one of 2 reasons:

- The link between the Ground Handler's checkin system and the Operating Carrier's ET database has not been implemented. One possible solution for this situation is to use the Electronic Ticket List (ETL) method. This method is based upon the existing PNL process. The way it works is that the Operating Carrier sends the Passenger Name List (PNL) (usually Type-B message) to the Ground Handler. The PNL includes an indication of those passengers with ETs. The Ground Handler manages the flight and checks in the passengers. Once the flight has departed, the Ground Handler collects all the paper ticket coupons and puts them in an envelope to be sent to the Operating Carrier. The checkin system returns to the Operating Carrier a list of all those passengers that have checked in with an ET. This is called the ET List (ETL). Based upon this list, the flight coupons in the Operating Carrier ET database are then either automatically or manually marked as checked-in or Flown depending upon the system.

However, an important part of this solution is to ensure that before the Operating Carrier sends the PNL, there needs to be a process in place to "lock down" those coupons while checkin is taking place. This is done to prevent a passenger from checking in but then also requesting a refund or exchange of that ticket or coupon.

- The airport is not automated. However, the lack of automation at a station does not prevent the issuance of ETs. Manual processes can be put in place to checkin these passengers, and then provide the checkin information to the Operating Carrier. This could be done through the Internet if available or even

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via a phone call. As mentioned with ETL, before beginning the checkin process, it is important to lock the coupons to prevent the possibility of duplicate use.

Q. It is possible to issue ZED/MIBA tickets (staff rebate travel) even when MITA is not in place. Will this also be true with E-Ticketing?

A. With ET, an interline agreement is needed to issue such tickets, either through MITA or otherwise.

Q. What is the mandate for EMD?

A. EMD standards already exist, one for airlines and one for travel agents in BSP. Two possible versions of EMD are currently being considered:

- EMD-A, which is lifted along with the ticket
- EMD-S, which is a standalone EMD and not associated to a flight

The EMD has a certain level of complexity that results in longer time to market and higher costs for an airline that wants to implement it. The exact nature, timing and deployment of the document are not currently known. IATA will have more information on this by mid-June 2008.

Q. What is the best practice for an itinerary that includes more than 16 segments?

A. One option is to issue a ticket for the first sixteen segments and then exchange/reissue the last segment into a ticket for the remaining segments. This will have issues around the out of order usage of segments. Another option is to issue two separate tickets with the same fare and put the other ticket number in the endorsements area. The issue with this is that this will create two transactions in your system and you will have to make sure you process them appropriately. Also, round trips within the journey can be issued as independent tickets. Issuing separate tickets may work but has implications on baggage through check and irregular operations.

Q. Will it be possible not to accept a paper ticket number from an agent in a PNR but to accept it if it is from an airline?

A. Yes it is will be possible.

Q. How will the STA Student Travel Document be affected by the ET deadline, especially at a paperless airport?

A. STA's travel document is non-standard, with form code beginning 000. These docs are outside the IATA BSP reporting and accounting system. Airlines may wish to continue supporting this process, but to get to higher ET penetration, some airlines have chosen to convert these documents to standard travel documents that go through the BSP. You can thus migrate the STA operation to a net remit operation in

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the BSP. However, in such a situation STA would not receive an accounting code like an airline would.

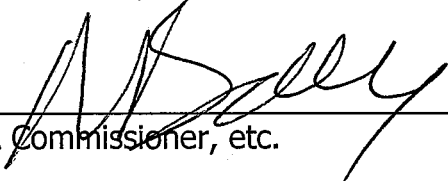
Q. How do you recommend handling passives?

A. This is a complex issue. One option is for agents to claim the PNR from the airline using a "claim it" type function, enabling the GDS PNR to register the inventory record locator. Often in blockspace situations, a single PNR has two record locators (one each for the outbound and inbound segments). So when the passive PNR is created in the GDS, many ET systems cannot accept a ticket issuance request with two record locators in. There are also some issues around receiving the SSR TKNE, and a proposal will be discussed in May to resolve this problem. In general, most industry standards are in place to support passives. It is just the airlines who are commercially making the decision not to support passives. E.g., airlines are arbitrarily rejecting passive segments, sending back "NO" as the status code in the reply. Agents cannot take action on such a segment. Also, some large consolidators have their own front-end applications where they can create a passive PNR in the GDS and issue a ticket without any interaction to the airline ET database. This allows a paper ticket to be issued but not an ET because the ET systems do not support two record locators.

Q. Have all GDSs decided to block the functionality to issue paper tickets in BSPs?

A. As of late April 2008, the four major GDSs (Amadeus, Galileo, Sabre and Worldspan) have confirmed to IATA that they will restrict the issuance of paper tickets in BSPs starting 1 June.

THIS IS EXHIBIT "D" REFERRED TO IN THE
AFFIDAVIT OF BRUCE BISHINS
SWORN BEFORE ME THIS 30th DAY
OF MAY, 2008.



A Commissioner, etc.



**MEMORANDUM
BSPCAN/693**

TO: All BSP Canada Accredited Agents
FROM: International Air Transport Association (IATA) – BSP Canada
DATE: May 22, 2008
SUBJECT: May 31st Closure of the Local Data Processing Centre

Dear Agent,

On 10 April 2008, (Memorandum 690), we advised that effective 31 May 2008, (Period Ending 25 May 2008), the Local Data Processing would no longer process manual exchanges or refunds.

We also advised that IATA would continue to assist the GDS's in their efforts to automate all transactions by the May 31st deadline.

As of 15 April 2008, Galileo provided a new HBFEX functionality to automate the reporting of all exchanges while they continue to work on their fully automated ARNE Refund and Exchange system.

IATA also implemented the BSPlink Refund Application functionality to accommodate refunds that are not as yet automated in the Galileo system.

Sabre has informed IATA that approximately 10% of their ET exchange transactions would not be automated by the 31 May deadline but have committed to complete their programming by the 30 September this year.

In order to continue our support to all concerned parties, effective period ending 01 June 2008, IATA will accept manual reporting for the remaining 10% of ET ticket exchanges that cannot be reported as automated by Sabre and will continue to process these transactions until 30 September 2008.

IATA also made a commitment to provide the Agent Billing Reports earlier in order to allow agents additional time to review and reconcile their reports prior to the settlement date.

In order to meet this commitment, the manually reported ET exchange transactions will be processed by IATA in the following reporting period. Example: manual exchange reported in period ending 01 June 2008, will be processed in period ending 08 June 2008.

We would like to remind you that BSP Canada eliminated reporting of all EVEN exchanges for all GDS users in May 2006. All GDS Additional Collection ET Exchanges are reported to BSP electronically with the exception of the above mentioned 10% of Sabre exchanges that cannot be processed correctly in the QREX automated system as yet.

All other ET transactions where an automated solution is already in place must be completed using your automated GDS functionality or BSPlink in the case of non-automated refunds and should not be reported manually to the BSP Canada office.

Any manually reported ET transactions received by IATA that should have been issued/refunded using the GDS/BSPlink automated solutions will be returned to agents for handling directly with the concerned carriers.

We are committed to helping all parties and thank you for your continued support.

Should you require further information, please do not hesitate to contact us.

Sincerely,

IATA BSP Canada/Bermuda