

COMPETITION TRIBUNAL
TRIBUNAL DE LA CONCURRENCE

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May 20, 2008

CT- 2008-006

Chantal Fortin for / pour
REGISTRAR / REGISTRAIRE

File No.: CT- 2008-006
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OTTAWA, ONT.

0004

COMPETITION TRIBUNAL

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 20, 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").

A. THE PARTIES

CANADIAN STANDARD TRAVEL AGENT REGISTRY doing business as CSTAR

3. The Applicant is a Society organized in 1998 under the *Society Act*, [RSBC 1996] Chapter 433, of the Province of British Columbia, and carries on business throughout Canada with management offices located in Toronto, Ontario. The Applicant's members are travel agencies which use standard neutral paper tickets and other services supplied by IATA in their business dealings with the public.

4. The Applicant is a non-profit trade association representing travel agencies across Canada, the majority of which are accredited by the International Air Transport Association (IATA).

5. The Applicant seeks designation by the Tribunal as a representative of 146 IATA-accredited travel agencies, and the Applicant applies for leave to proceed in this matter as a representative proceeding. Attached as "*Exhibit F*" is a list of those travel agencies that have authorized CSTAR to proceed as their representative. The Applicant meets the criteria of a representative proceeding in accordance with the Federal Courts Rules 114 (1) as the issues asserted in this matter are common issues of law and fact; there are no issues affecting only some persons and all issues are collective issues shared by those persons; the Applicant is authorized to act on behalf of the represented persons; the representative can fairly and adequately represent the interests of the represented persons; and that the use of a representative proceeding is the just, most efficient and least costly manner of proceeding.

6. The Applicant asserts that 146 IATA-accredited travel agencies have duly authorized the Applicant to represent them in the present application and that these travel agencies are in the business of selling air transportation in Canada and rely on IATA to furnish ticket stock, among other services, so as to provide full and complete facilitation for the issuance of airline tickets.

International Air Transport Association doing business as IATA

7. The Respondent, International Air Transport Association, is an international trade association comprised of approximately 240 airlines. Those airlines account for approximately 94% of scheduled international air traffic. The organization represents, leads and serves the airline industry in general.

8. The Respondent also carries on business under the name "IATA".

B. REFUSAL TO DEAL BY IATA

9. Travel agencies in Canada have issued IATA neutral tickets since 1978. A copy of the current paper ticket is attached as "*Exhibit A*". Travel agencies in Canada and all other countries, except the United States, must be accredited by IATA to issue tickets on industry-standard neutral paper ticket stock and electronic tickets. IATA-accreditation provides travel agencies access to the IATA Billing and Settlement Plan ("BSP" and "BSP Canada") which facilitates the paper and electronic ticket programs and agent/airline sales reporting and settlement system.

10. It would be impossible for any travel agency engaged in the routine sale and servicing of the full complement of domestic, transborder (between the United States and Canada), or international air transportation to operate an efficient travel agency without accreditation by IATA and participation in the IATA BSP.

11. Access to the widest array of airline inventory, fares, pricing, and ticketing services is provided by IATA-certified and authorized Global Distribution Systems ("GDS") to which travel agencies must subscribe in order to issue tickets via the IATA BSP. The four GDSs authorized by IATA to automate travel agencies in Canada are Amadeus, Galileo/Apollo, Sabre, and Worldspan. All travel agencies in Canada which are IATA-accredited and participate in the IATA BSP must be automated by at least one GDS.

12. There are approximately 3,000 IATA-accredited travel agencies in Canada which participate in the BSP Canada.

13. In November 2004, IATA announced a multi-prong initiative changing a number of airline services and functions. The initiative was called "Simplifying the Business" ("StB"). Key among the StB enhancements was the plan to completely eliminate paper

airline tickets through a requirement for all airlines to adopt a 100% electronic ticketing ("ET") infrastructure and platform.

14. IATA established a deadline of December 31, 2007 for all airlines to be 100% ET capable. After this date, airlines would not be authorized by IATA to issue new paper tickets and only ET would be accepted in the marketplace. The plan to eliminate paper tickets on December 31, 2007 applied to all travel agencies worldwide and airlines as well. In fact, as of the date of this application, airlines are not 100% ET capable.

15. It appears that IATA's plan to remove paper tickets, including the removal of paper tickets from travel agencies, was approved only by the IATA Board of Governors. This was in contravention of IATA's own procedures which would have required approval by the IATA Passenger Agency Conference ("PACConf"), where all matters affecting travel agencies must first be discussed and approved. IATA improperly bypassed the correct mechanism to make changes to its travel agency program because items subject to approval at PACConf must first be discussed with travel agency representatives in each affected country, and then, at PACConf, all IATA member airlines voting must agree unanimously on any proposed change. It is the assertion of the Applicant that IATA knew that some airlines would object to removing paper tickets and that the plan would thus not be approved. By taking the matter outside of the prescribed PACConf mechanism, IATA denied travel agencies due process with respect to a matter which directly affected them. Approval by the IATA Board of Governors requires only a simple majority of a much smaller group of airlines than attempting to approve same at PACConf..

16. On June 05, 2007, at its 63rd Annual General Meeting in Vancouver, IATA decided that airlines had not sufficiently progressed to meet the 100% ET deadline of December 31, 2007. A new deadline for 100% ET implementation was set for May 31, 2008. A copy of the Final Resolution of the IATA Board of Governors amending its prior

ET deadline reached at its 60th Annual General Meeting (June 2004) is attached as "*Exhibit E*".

17. According to documents published on IATA's web site, among the issues reported by IATA leading to the new implementation date of May 31, 2008 were the slow pace of airlines to fully adopt ET platforms, the lack of progress in achieving a satisfactory level of interline ET agreements (agreements necessary when more than one ET carrier participates in a given itinerary's routing), the lack of ET capability for infant travel, the lack of ET capability for irregular operations (delayed or cancelled flights), the lack of ET capability for passive bookings (bookings input into an airline's computer system when booked at an external source), the lack of ET capability for certain code-share flights (flights marketed by more than one carrier via their two-character airline code, but operated by another carrier), the lack of ET capability for group travel, the lack of ET capability for certain extensive routings including around the world journeys or journeys involving more than 16 air segments, the lack of ET capability at airports where check-in facilities and handling cannot accommodate ET, and the lack of ET capability at destinations where local authorities do not allow ET for security or other operational reasons. As of the date of this application, these problems have not been resolved.

18. Currently those transactions in paragraph 17 above, which cannot be issued as an ET, can only be issued by travel agents as a paper ticket. Travel agencies rarely issue paper tickets unless, as in paragraph 17 above, conditions and transaction types could not otherwise be issued as an ET. In addition, airlines routinely charge a penalty fee if a paper ticket is issued where an ET would otherwise be issuable.

19. The reasons cited by IATA's delay in elimination of paper tickets, and as agreed by IATA at its June 05, 2007 Annual General Meeting was the first public indication that the StB program to move to a 100% ET environment was in disarray, and all stakeholders were now on alert to monitor progress in this regard.

20. In its 2007 Annual Report, IATA, for the first time, announced a unilateral change of the plan to eliminate paper tickets which would prove to put travel agents at a competitive disadvantage. That is, IATA indicated that the removal of paper tickets was now targeted solely at BSPs, where only travel agents remit and report their ticket sales. The same requirement was not imposed upon airlines. This meant that there would be different rules regarding paper tickets applying to travel agencies and airlines, putting travel agencies at a significant disadvantage.

21. In October 2007, the Airlines Reporting Corporation ("ARC"), the airline-body counterpart to the IATA BSP in the United States, confirmed that paper tickets will not be eliminated for ARC-accredited in the United States. ARC is an airline-owned company serving the U.S. travel industry with financial services, data products and services, ticket distribution, and settlement in the United States, Puerto Rico and the U.S. Virgin Islands. It should be noted that 10 of the 12 airline shareholders which own ARC are IATA member airlines, including Air Canada. The effect of this would be that Canadian travel agencies would be at a competitive disadvantage compared to U.S. travel agencies.

22. In April 2008, IATA's Senior Vice President of Industry Distribution and Financial Services, Tom Murphy, posted a letter to travel agencies on an IATA web site in a section where travel agencies were not likely to visit. The letter was never distributed to travel agencies using the traditional mechanisms which IATA uses to communicate with travel agencies. Even BSP officials in Canada were unaware of the document's existence. It seems that IATA's letter was intentionally not distributed by IATA to travel agents to prevent both concern about and criticism of the seriously flawed plan to remove paper tickets from travel agencies. Mr. Murphy's letter is attached as "*Exhibit B*".

23. The letter is a warning to travel agencies as to what might be expected when paper tickets are eliminated on 01 June 2008. The letter is best described as a "cover our backs" or "we warned you so" communiqué, attempting to put the responsibility for any

marketplace disruption in the elimination of paper tickets on travel agents themselves. Yet, IATA took no steps to bring this communication to the attention of travel agencies.

24. In its letter, IATA states that each BSP participating airline should have communicated its procedures to travel agencies for itineraries where ET is not possible. Other than a communication from Air Canada on May 16, 2008, no other carrier of the nearly 120 carriers which participate in BSP Canada has done so to date. Air Canada's communication to travel agents of May 16, 2008 is attached as "*Exhibit C*".

25. In its letter, IATA states that travel agencies should consider making local arrangements for airlines to issue such non-ET transactions for travel agencies on the airlines' own paper ticket stock. Such a procedure would be costly to agencies and completely impractical, not only for agencies where there would be a local ticketing facility, but especially impractical for agencies located outside larger cities.

26. In its letter, IATA states that travel agencies should consider asking airlines to place the airlines' own paper ticket stock in the agency. Such a procedure totally defeats the purpose and benefits of a BSP, and also would dramatically raise the handling, controlling, tracking, and settlement costs for each such transaction. Travel agents' GDS usage would be useless as there would be no automation facilitation between the GDS and the airlines' own ticket stock. The Applicant also states that, contrary to IATA's suggestion, Air Canada has notified travel agencies that it will not place Air Canada's own paper ticket stock in any travel agency. IATA's maneuverings are placing travel agencies in an impossible situation.

27. When queried by the Applicant, not a single airline had a back-up plan for travel agencies when an itinerary would not be ET eligible on/after 01 June 2008. Moreover, when asked directly, IATA itself had no suggestions as to how agencies should handle the lack of such alternative ticketing when airlines had not implemented any.

28. Air Canada's solution for travel agencies for a transaction where ET is not possible, as outlined in its communication of 16 May 2008, is for agencies to issue a Virtual Multiple Purpose Document ("V-MPD") prepaid ticket and that Air Canada will issue a paper ticket for the travel agency. Air Canada has advised that travel agencies must allow ten business days for the ticket to be issued and mailed to the traveller. Air Canada has not clarified whether it will charge the agency the standard V-MPD prepaid ticket fee which is currently CAD 125.00 per transaction.

29. Air Canada's solution is neither realistic, nor practical, as travel agencies, particularly agencies which service corporate and government travellers, are not likely to have the ten business days advance lead time necessary to comply with Air Canada's ticketing procedures, not to mention the additional days necessary to accommodate actual delivery of the tickets by the postal or delivery service. In addition, there are no procedures communicated by Air Canada to handle post-sale exchanges (ticket reissues) and refunds.

30. IATA has additionally stated that airlines without ET capability will simply not be allowed to participate in a BSP. They will be removed, with no further access to facilities and services of travel agency ticketing and sales settlement. The act of IATA's removing an airline from the BSP is a severe inhibiting of that carrier's ability to efficiently and successfully market its products and services via GDSs through to the travel agency sales channel.

31. On April 10, 2008, the Applicant, along with the Association of Canadian Travel Agencies ("ACTA"), submitted a joint request for review of IATA's elimination of paper tickets to Canada's Competition Bureau. The Competition Bureau declined to act on the submission and no determination was made in the matter.

32. On April 17, 2008, the Applicant and ACTA authored a petition to persuade IATA to delay the elimination of paper tickets until such time that all tickets could be issued as ET. The petition was signed by 1,256 travel agents in Canada.

33. On April 23, 2008, several worldwide travel agency associations and agency association umbrella organizations (UFTAA and WTAAA), including ACTA, met with IATA and IATA member airlines in Geneva, Switzerland to discuss, among other things, a request by travel agents to delay the elimination of paper tickets until such time as the industry is prepared to be fully ET capable. The agency groups wanted to make it clear to IATA that the promises made by IATA that carriers would be fully prepared for a 100% ET sales environment have not been realized and that there are too many loose ends and too many transactions which will not be able to be managed. The petition signed by 1,256 travel agents in Canada was presented to IATA.

34. On April 23, 2008, IATA refused to discuss the paper ticket matter with ACTA, or any of the many international travel agency organizations which attend in Geneva. IATA and the IATA-member airlines present at the meeting cited reasons of *sub judice* with respect to the Applicant's and ACTA's Competition Bureau submission of April 10, 2008.

35. The Applicant states that IATA's refusal to even discuss the matter on April 23, 2008, and its citing of *sub judice* was without merit or basis in law and was a clear attempt by IATA to further frustrate the agents' rights to due process and a fair airing of the agents' concerns.

36. IATA asserts in its public statements and communications that paper ticketing increases processing and handling costs for airlines, however, the reality is that all sales and transactional data for paper tickets are, to the contrary, automatically transmitted electronically by the GDSs. For many years, GDSs have uploaded all necessary sales and transaction data via a Hand-Off Tape ("HOT") and a Reporting Tape ("RET"), used by the IATA to administer, process, and collect such sales from agencies. Furthermore, literally all types of post-sale transactions including ticket exchanges and refunds are fully-automated with virtually no manual processing required at IATA.

37. Travel agencies do not submit any paper ticket components, when issuing standard airline tickets, for IATA's purposes, with only the passenger receiving the actual paper coupons for use while traveling. There is virtually no difference, for IATA's processing purposes, between a standard paper ticket and an ET. No paper of any kind is processed by IATA for these originally issued transactions.

38. While there may be a minor cost savings to IATA in discontinuing the printing and distribution of paper tickets before it has implemented a fully functional ET environment, this must be weighed against the colossal disruption to travel agencies and the ensuing competitive disadvantage imposed upon them. This will limit competition in the marketplace because travel agencies will no longer be able to service a significant part of the market which will now be the exclusive preserve of airlines. While travel agencies are fully supportive of ET, including a 100% ET environment, travel agencies should not be subjected to the premature removal of paper tickets when the responsibility for achieving 100% ET is that of IATA and its member airlines

39. IATA asserts that the cost savings in eliminating paper tickets will be a considerable benefit to airlines. The question arises as to why the airlines are not eliminating paper tickets for themselves. Furthermore, why are travel agencies in the United States, the largest agency marketplace in the world, not forced to give up paper tickets either? Why are Canadian travel agencies being put at a competitive disadvantage?

40. IATA's actions are an attempt to consolidate the marketplace in Canada, and to remove essential tools and services necessary for travel agencies in Canada to effectively compete in the marketplace.

41. In Section 2(d) of the *Competition Act* (R.S., 1985, c. C-34), the *Act* defines an "article" or "product", as including:

tickets or like evidence of right to be in attendance at a particular place at a particular time or times or of a right to transportation. (emphasis added)

42. Section 75 of the *Act* (Refusal to Deal) specifies:

75. (1) Where, on application by the Commissioner or a person granted leave under section 103.1, the Tribunal finds that

(a) a person is substantially affected in his business or is precluded from carrying on business due to his inability to obtain adequate supplies of a product anywhere in a market on usual trade terms,

(b) the person referred to in paragraph (a) is unable to obtain adequate supplies of the product because of insufficient competition among suppliers of the product in the market,

(c) the person referred to in paragraph (a) is willing and able to meet the usual trade terms of the supplier or suppliers of the product,

(d) the product is in ample supply, and

(e) the refusal to deal is having or is likely to have an adverse effect on competition in a market.

C. THE EFFECT OF IATA'S REFUSAL TO DEAL ON TRAVEL AGENCIES

43. The Applicant asserts that IATA's removal of paper tickets from Canadian travel agencies, while at the same time not imposing the same constraints on its own member airlines, nor on U.S. ARC-accredited travel agencies over which IATA-member airlines have dominant control, puts Canadian travel agencies at a competitive disadvantage. IATA's action is an attempt to restrain competition in the Canadian marketplace and to prevent Canadian travel agencies from access to products which are widely available and in ample supply.

44. The Applicant states that the principal marketplace in question is the consumer air travel market for travel within Canada and to/from Canada. The marketplace has effectively two main competitor constituencies; airlines and travel agents. To be clear,

both competitors are remunerated by the air travel consumer. The consumer pays airlines for air transportation, and alternatively, the consumer pays a travel agent a consulting fee to procure and arrange air transportation. The vast majority of airlines no longer pay a base commission to travel agencies. Thus, as travel agencies are largely unremunerated for the sale of air transportation, and where airlines expect agents to act gratuitously in the sale of air transportation, the agency relationship is such that the travel agency is an agent for the consumer and not the air carrier.

45. In today's marketplace, the travel agent is a consultant and advocate for the consumer's best interests, lowest possible fares, and most appropriate service levels.

46. Airlines, while deriving a sizeable volume of business from travel agencies, would sooner reclaim that business directly to the airline, and away from the travel agent. Consumers which are handled and served directly by the air carriers are insulated from comparative fare and service information which would otherwise be made available through an impartial travel agent.

47. The airlines have a vested interest in bringing the consumer to their own direct sales tools, which they seek to accomplish by removing those tools which facilitate booking and ticketing by a travel agent. The marketplace is thus skewed, concentrated, and made uncompetitive by one group of competitors (airlines), which are in control of the industry's necessary systems and work tools, removing those essential and necessary tools solely from another group of competitors (travel agents) so as to unlevel the playing field and adversely affect competition in the marketplace. The situation is made even worse by the fact that it is not the individual airlines themselves which are directly removing these necessary and essential tools and services from travel agents, but rather, the airlines through their trade association, IATA.

48. On June 01, 2008, IATA will cease accepting and electronically processing paper tickets from Canadian travel agencies.

49. On June 01, 2008, the four GDSs in Canada, following a directive from IATA, will cease enabling the issuance and printing of paper tickets in all travel agency GDS ticketing systems.

50. During June 2008, IATA will physically remove all paper tickets from all travel agency locations. IATA has engaged a third-party logistics company, SAFLOG, to visit every travel agency in Canada to directly remove the paper ticket stock.

51. On May 09, 2008, IATA wrote to every travel agency reminding agencies that they must register with the SAFLOG system to account for the paper tickets, and that any failure by an agency to register or resist returning the ticket stock to IATA will result in IATA commencing default proceedings against the agency, leading to the termination of the agency's accreditation. Such termination of accreditation would also terminate the agency's ability to issue ET. A copy of IATA's May 09 letter to agencies is attached herewith as "*Exhibit D*".

52. Of the nearly 120 carriers which participate in IATA's BSP Canada, only one airline, Air Canada, has provided instructions how to handle the many transactions which will no longer be ticketable by travel agencies when only a paper ticket must be issued. The Applicant emphasizes that Air Canada's ten business day advance notice for Air Canada to issue the paper ticket on the agency's behalf is an unsatisfactory, impractical, and an unrealistic solution. The remaining BSP carriers, nearly 120, have not advised travel agencies as to any solution or workaround for those transactions still requiring paper tickets on June 01, 2008.

53. IATA's refusal to supply paper tickets to Canadian travel agencies as of June 01, 2008 will have an adverse effect on competition in the market for the sale and servicing of air transportation because:

- a) travel agencies will not be able to sell and service a wide array of air transportation including interline travel, group travel, infant travel, extensive

routing travel, and other forms of air travel where a paper ticket will still be required after June 01, 2008;

- b) travel agencies have no reasonable nor practical alternative to issuing a paper where required;
- c) travel agencies are willing to meet the usual trade terms for the issuance of paper tickets;
- d) the supply of paper tickets is controlled by IATA.

D. TRAVEL AGENCIES WILL SUFFER IRREPARABLE HARM FROM IATA'S ACTIONS

54. With no other available alternatives to accommodate transactions requiring paper tickets as of June 01, 2008, IATA's removal of paper tickets will cause irreparable harm to the agencies' businesses and have a dire effect on travel agencies which rely, for many reasons, on the ability to service all routine air transportation requests from the travelling public. Although it cannot be precisely quantified, it is clear that significant business will be lost, and there will be an adverse effect on competition in the marketplace.

55. Travel agencies would be irreparably harmed if consumers perceived agencies as being limited in the services they can provide. Suddenly removing the ability for travel agencies to sell and service air transportation which had been routinely sold and serviced by agencies in the past would cause consumers to conclude that their local travel agent was somehow no longer authorized to sell key air transportation services, or was in trouble with air carriers, or was under sanctions by the air carriers. The reputation of the travel agency would be irreparably harmed and consumer confidence in the agency's competencies lost forever.

56. The reputation of travel agencies and their ability to conduct business in a manner expected and experienced by consumers for decades will be irreparably harmed if consumers are advised that their local travel agent could only sell and service certain types of air travel requests, and could no longer provide full service.

57. It would be devastating to the business of the travel agency sector and irreparably harm travel agencies if they were not to be able to sell and service air transportation for families traveling with infants.

58. It would be devastating to the business of the travel agency sector and irreparably harm travel agencies if they were not to be able to sell and service air transportation for groups travelling together. In fact, most all travel agencies have group business, with many agencies specializing in group travel.

59. It would be devastating to the business of the travel agency sector and irreparably harm travel agencies if they were not to be able to sell and service complex international itineraries, particularly at the many travel agencies which specialize in corporate and government travel, where itineraries including the services of more than one airline are only ticketable on a paper ticket as an ET interline agreement may not be available.

60. Substantial and irreparable harm to agencies would be caused when consumers would be informed that the routine air travel purchase they sought would only be obtainable from the airline directly or from a U.S. travel agent. With so many IATA-accredited travel agencies in relative close proximity to the United States, many Canadian travel agencies would easily and forever lose this air travel business to U.S. travel agencies or the airlines themselves.

61. By way of typical example, Travel Masters, Vancouver, BC, is a travel agency represented in the present matter and which has been in business for ten years and is part of the Travel Masters family of eleven agencies throughout Western Canada and the Territories. I am advised by the manager of Travel Masters, and verily believe to be true, that the agency issues fifty paper tickets each month due to a contract with Air Pacific which does not accept ET on its direct service from Vancouver to Nandi.

62. In February of this year, Travel Masters issued one hundred fifty paper tickets due to the fact that British Airways still requires paper tickets for groups. Travel Masters tickets many groups in its office, and Lufthansa German Airlines is another airline that still requires paper tickets for its group transactions.

63. The remainder of Travel Masters' paper tickets are issued because certain small carriers and around the world itineraries are not eligible for ET, or because their clients have multi-segment itineraries where the fare calculation is too long to fit on an ET, but is acceptable on a paper ticket.

64. If Travel Masters were no longer able to issue paper tickets where required, the agency would lose the ability to sell and service air transportation on many carriers key to Travel Masters' operations and would not only lose credibility with its customers, but also forever lose substantial amounts of business. Accordingly, the agency would be irreparably harmed.

65. By way of another typical example, Carlson Wagonlit Mokami Travel, Happy Valley-Goose Bay, Labrador is a travel agency represented in the present matter and has been in business for more than thirty (30) years. I am advised by the owner of Carlson Wagonlit Mokami Travel, and verily believe to be true, that 93% of the agency's business is selling scheduled air transportation, with more than 50% of the agency's business concentrated on two local Canadian carriers, Provincial Airlines and Air Labrador. Both carriers participate in the IATA BSP, and neither carrier accepts ET.

66. Carlson Wagonlit Mokami Travel currently issues more than two hundred paper tickets and MPDs each week. The removal of paper ticketing ability by IATA from Carlson Wagonlit Mokami Travel would be devastating to the agency, forever causing the agency to lose substantial amounts of business and would damage its long-standing reputation with consumers. Accordingly, the agency would be irreparably harmed.

67. The dire impact of IATA's mandate is already being felt. On April 07, 2008,

Harbour Air, a Canadian regional carrier operating seaplane service between various points in BC to and from the BC Islands, Vancouver and Victoria harbours, and the BC mainland, announced that it will withdraw from BSP Canada effective June 01, 2008 and will also withdraw from all GDSs. As of June 01, 2008, bookings from travel agents will be accepted via the Harbour Air web site.

68. This decision by Harbour Air is based on the small carrier's unwillingness to endure the excessive costs of developing and deploying an ET platform via each of the four GDSs and linking same to IATA BSP Canada. The effect of Harbour Air's decision will limit its presence in GDSs, terminate ticketing facilities in BSP Canada, and result in travel agencies having to use exceedingly cumbersome and costly web-based, non-standard alternative facilities to handle bookings, control, accounting, and post-sale treatment of agency customers traveling on Harbour Air.

69. It can be expected that between now and June 01, 2008, other carriers around the world will also be forced out of BSP Canada (and other worldwide BSPs), interline ticketing, and GDS presence, making access to these airlines' services nearly impossible for travel agencies and substantially harming the agencies' business. In addition, consumer choice will be limited and the services of larger airlines will be concentrated and much more visible in the marketplace.

70. The evidence in this application demonstrates:

- a) paper tickets are essential to the business of IATA-accredited travel agencies in Canada, and that without paper tickets, travel agencies would not be able otherwise sell or service a wide variety of air transportation;
- b) neither IATA nor the airlines (with the exception of Air Canada) have provided any alternative procedures for travel agents to issue tickets when a paper ticket is required and an ET is not possible;

- c) Air Canada's workaround solution for the issuance of a paper ticket when required is impractical, unrealistic, and does not conform with the way travel agencies conduct their business and the expectation and needs of customers;
- d) without paper tickets, travel agencies would be irreparably harmed in the loss of business, reputation, and the loss of confidence which consumers have in their local travel agent;
- e) IATA's stated reason for removing paper tickets from the industry (cost-savings) is questionable in that neither the airlines, nor U.S. travel agencies (the largest travel agency marketplace) are being forced to give up their respective access to paper tickets;
- f) Canadian travel agencies would not be able to effectively compete in the marketplace if consumers had to be told that Canadian travel agencies could no longer issue various type of air transportation, and that the only alternative consumers would have would be to buy from the airline directly or to purchase their travel through a U.S. travel agent;
- g) IATA's actions in removing paper tickets from Canadian travel agencies and threats to Canadian travel agencies which do not relinquish their paper tickets to place them in default and terminate their accreditation amount to a refusal to deal with Canadian travel agencies, while at the same time, allowing other customers in the industry to continue to maintain access to products and services;
- h) travel agencies are prepared to continue access to and usage of paper tickets on the usual trade terms; the tickets are in ample supply.

71. The action of the Respondent in refusing to deal with the Applicant falls within the scope of activity prescribed by section 75 of the *Act*, and amounts to a practice which is subject to an order of that section in that the Competition Tribunal may order the Respondent to continue to provide paper tickets and related paper ticket services to the Applicants on the usual trade terms.

72. The balance of convenience favors the Applicant since the effects on the Respondent will be minimal at best, while failing to enjoin the Respondent will have a significant negative impact on travel agencies and on competition in the marketplace.

73. Nothing detailed in Respondent's communications and plans terminate paper ticketing or any other correspondence from the Respondent in this matter indicates that the Respondent would suffer any meaningful damage by continuing to provide paper tickets to the Applicant until such time as the industry would be duly and properly prepared for 100% electronic ticketing and all transactions, including those which require a paper ticket today, could be accommodated as ET.

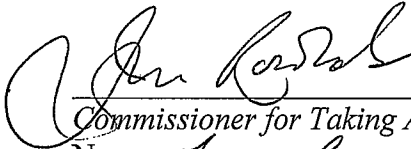
74. It is not possible for travel agencies to procure neutral standard paper tickets from any other source other than from IATA.

75. To remain viable, travel agencies require access to paper tickets so long as IATA, airlines, and the industry continue to require paper tickets when an ET is not possible.

76. If interim relief is not granted to the Applicant in the form of an order requiring IATA to continue supply neutral standard paper tickets on the usual trade terms, travel agencies will suffer a significant loss of business which cannot currently be measured.

77. There is no impediment to the discretion of the Tribunal to grant an injunction to the Applicant in the present matter and accept the Application on the merits.

AFFIRMED BEFORE ME
at the City of Toronto
in the Province of Ontario
on the 20th day of May 2008



Commissioner for Taking Affidavits
Name: *JOHN ROSOLAK*



BRUCE BISHINS

Exhibits: A, B, C, D, E, F

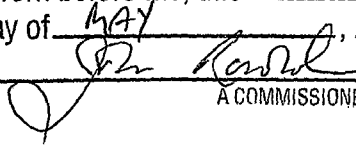
In accordance with Competition Tribunal Rule 20 (1), the affiant declares as follows:

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.



BRUCE BISHINS

This is Exhibit A referred to in the
affidavit of BRUCE BISHINS
sworn before me, this 20th
day of MAY, 2008


A COMMISSIONER, ETC.,

IATA NEUTRAL PAPER TICKET (CANADA)

GANTAS AIRWAYS		NON-DIRECTION TICKETS / TICKET COMPLETION		YYZYYZ		LE TICKETING EAST	
NON-ENDORSEABLE / NON-REROUTE / NON-REF		18 MAY 05		1P-EN6BRW		TORONTO ON	
EF / SPECIAL COND. APPLY / NON-ENDORSEABLE / NON-REF		IATA-BSP				67 950-0/VL/V VSK	
TRAVEL / SANDY, MRS							
TORONTO / L.B. PEARSON		DF	3246V	01 JUN	215P	OKVDFCAP23	01 JUN 01 JUN PC
X	LBS ANGELES	DF	12V	01 JUN	1030P	OKVDFCAP23	01 JUN 01 JUN PC
	SYDNEY	DF	107V	14 JUN	1050A	OKVDFCAP23	14 JUN 14 JUN PC
X	LBS ANGELES	DF	3246V	14 JUN	920A	OKVDFCAP23	14 JUN 14 JUN PC
TORONTO / L.B. PEARSON		DF					
CAD 1828.00		X/LAX DF SYD Q12.26		735.15		DF X/LAX Q12.26	
CAD 17.00		735.14		NUC1494.81		END ROE1.22288	
CAD 1.05		272.20		AGENT / NON-REF		C22	
CAD 2118.25		1 081		5116783691		2	

This is Exhibit B referred to in the
affidavit of BRUCE BISHINS
sworn before me, this 20th
day of May, 2008

John R. ...
A COMMISSIONER, ETC.,



Electronic Ticketing and Other Documents in BSPs on/after 1 June 2008

Dear IATA Agent,

The 2007 IATA Annual General Meeting reconfirmed the goal of eliminating paper tickets from the BSPs. At the same time, the AGM recognised that some airlines are experiencing difficulty in meeting the deadline of 31 December 2007. In recognition of this fact, and to assist airlines to complete their work to eliminate paper tickets, the deadline was extended to 31 May 2008. This is the final deadline and no further extension will be made.

What does this mean for you as an Agent and BSP user? Very simply that after 1 June 2008, you will not be able to issue a BSP supplied neutral paper ticket. We will be issuing separate instructions with respect to the destruction and/or recovery of our paper ticket stock next month.

We are working closely with the Global Distribution System providers (GDSs) to ensure a smooth transition to ET and you can expect to receive instructions directly from individual airlines on their own plans beyond 1 June 2008.

We are conscious of the fact that the BSPs also handle 3rd Party users such as railways and we are working on solutions to handle this business.

We are receiving many questions on the transition to ET and have therefore developed the attached summary sheet of key issues that you may find useful. It covers topics such as:

- **Specific actions required**
- **Use of the Virtual Miscellaneous Document (V-MPD) and Electronic Miscellaneous Document (EMD)**
- **Consequences if a neutral paper ticket is issued on/after 1 June 2008**
- **Impact of the elimination of neutral paper tickets on 3rd parties in the BSP**
- **ET eligible itineraries on/after 1 June 2008**

Should you have any questions or comments please forward these by email to: eticket@iata.org.

Yours Sincerely,

Tom Murphy, IATA Senior Vice President, IDFS

Summary Sheet of Key Issues for Travel Agents ATTACHMENT "B"
Electronic Ticketing and Other Documents in BSP on/after 1 June 2008

1. Specific actions required

Each BSP participating airline should be communicating to you their procedures for itineraries that are not eligible for ticketing on an electronic ticket. These options include, but are not limited to the following:

1. Issuance of another document (e.g. Virtual MPD (V-MPD)) that could be used as a Prepaid Ticket Advice (PTA). Airlines will advise you if they will accept the use of the V-MPD as a PTA for this purpose.
2. Airlines may wish to enter into local arrangements with you whereby you may request the ticket to be issued by the airline on its own paper ticket stock. Agents should inform themselves of specific airline policy on this procedure.
3. Subject to agreement with you, a BSP participating airline may place its own paper ticket stock in an agency location and ticketing may be done on that stock. It should be noted however that in this instance the entire transaction is subject to the bilateral agreement between you and the airline since these transactions will be outside the IATA Agency Programme and the BSP administrative rules including default procedures and reporting and remittance schedules.
4. You should ensure that during the remaining time until 1 June 2008 that you become informed of each individual airline's policy for the issuance of tickets that you are unable to issue directly as electronic tickets on/after 1 June 2008 because individual carrier policy may vary.

2. Use of the V-MPD and EMD.

IATA's Member airlines have already adopted standards for an Electronic Miscellaneous Document (EMD) that will replace all other non-ticket documents and which works in a similar manner to an electronic ticket. However, it is not anticipated that this will be fully available for use until 2009 at the earliest. In those BSPs where the automated coupon-by-coupon MCO (known as the MD50) is in use it should be noted that on/after 1 June 2008 the value coupon will no longer be available for the issuance of MCOs. IATA will monitor and evaluate the use of all other paper documents in those remaining BSPs where paper "other documents" including the manual paper carbonised MPD, the automated neutral carbonised MPD and the neutral carbonised excess baggage ticket are still distributed. As soon as is practicable, IATA will migrate these remaining BSPs to the already well established BSP "best practice" of removing all other paper documents. During the interim period all other documents can be issued by means of a virtual version of the MPD known as the V-MPD.

You should therefore ensure that all of your offices are familiar with the V-MPD process and the actions they will need to follow for issuance.

Overview of the V-MPD

The V-MPD is: -

- ↗ A virtual representation of the paper MPD/auto MCO;
- ↗ An instrument of exchange;
- ↗ A record of a transaction of payment for a service or collection of a fee;
- ↗ Issued in *BSPlink*;
- ↗ Drop down menu boxes look like a manual document;
- ↗ Email message upon completion to the airline service point;
- ↗ Airlines see their copy and act in accordance with their standard internal procedures for processing Prepaid Ticket Advices (PTAs).

It should be noted that IATA is continuing to examine additional functionality that meets your needs in order to minimise disruptions to your operations and welcomes feedback and comment.

The V-MPD is a viable alternative to paper MPDs and is available globally for BSP participating airlines to deploy market by market.

IATA has prepared presentation material, user guides and a list of Frequently Asked Questions (FAQs) that are available for download in the "Download Centre" of the *BSPlink* Portal at <https://www.bsplink.iata.org> (refer to "*BSPlink* Customer Manuals")

Effect on Travel Agents – Ticket Issuance

It is expected that PTAs and tickets on departure will continue to decrease rapidly and airlines will continue to expand their electronic ticketing capabilities. However, there may be some tickets that you will be unable to issue as electronic tickets and, on/after 1 June 2008, you will no longer have the fallback of issuing a paper ticket. Some of the reasons for this could be identified as follows (depending on individual airline policy):

- ↗ Interline journeys where the particular mix of Marketing/Operating Carriers does not allow one carrier to be selected as the Validating Carrier because no one carrier has IET with all other carriers;
- ↗ Passive bookings;
- ↗ Groups;
- ↗ Journeys over 16 segments;
- ↗ Infants;
- ↗ Open segments;
- ↗ Ineligible sectors because the ground-handling infrastructure at some airports is not capable of processing electronic tickets.

Should an airline choose to maintain its own paper tickets they can still be issued for these journeys at their own offices. Each airline should advise you whether they allow this and what their procedures are.

IATA anticipates that the main reasons for agents to issue other documents will relate to the receipt for amendment fees and for issuance of non-air services (e.g. tours, hotel, car hire) where an interline electronic ticket agreement is not in place.

The EMD will be the ideal solution to support the issuance of other documents. However there will be an interim period during which no EMD solution will be available and as such it will be necessary to maintain alternative methods of issuing other documents. IATA has deployed the V-MPD but, acknowledging that there will not be a value coupon produced, this will add an additional burden to industry resources where a value coupon is required. It should be noted that the V-MPD should only be seen as an interim measure until such time as the EMD is fully deployed.

IATA is aware that some travel agents receive data supplied by their GDS from these transactions to manage back office functions. In addition some GDSs, but not all, have a certain level of interactivity into the Passenger Name Record (PNR). The problem however is that, looking at the V-MPD, there is a deficiency since a value or exchange coupon is not produced and there are no automatic updates into the PNR.

It is therefore important that you liaise closely with your airlines because procedures for advising the airline of the issuance of another document may vary. For example an airline may request you to ensure that the information pertaining to the issuance of the other document is entered through a Special Service Request (SSR) or Other Services Information (OSI) placed into the PNR and 'queued' to the airline for servicing following the standard procedures that applied for paper documents.

Any interim solutions developed by the GDSs (e.g. suppressing the printing of a value coupon on OPATB2 markets) would be based on the fact that the GDSs have been approached by their airline/travel agency customers directly.

Until such time as the remaining paper "other documents" in some BSPs have been withdrawn, airlines may allow you to continue to issue them beyond 31 May 2008 where it is practical. In those markets where these documents (manual MPD and MCO) are presently in place, and where the local market has agreed to continue the issuance of these documents, IATA will continue to provide stock and processing.

Effect on Travel Agents – remote ticketing facilities

With the withdrawal of paper ticket stocks, travel agent use of Satellite Ticket Printers (STPs) will no longer be supported. As a consequence of the electronic ticketing deadline, all related standards and resolutions providing for Satellite Ticket Delivery Offices (STDOS), Special Event Locations (SELs), European Union Satellite Ticket Printers (EUSTPs) and STPs will no longer be applicable on/after 1 June 2008.

If you are operating an approved STP, EUSTP, SEL or STDO and in possession of a valid IATA numeric code for such operation, you will be entitled to retain such IATA code for 2008. At the end of 2008 IATA will not process any renewal application for any of these ticketing facilities as an STP, EUSTP, STDO or SEL. Should you wish to convert any of these locations to another category of IATA sales location this can be done at any time. Any conversion will be assessed in accordance with applicable IATA resolution requirements and against the fees paid.

3. Consequences if you issue a neutral paper ticket on/after 1 June 2008

Inevitably some of you may hold residual paper ticket stock on/after 1 June 2008 if not yet destroyed. It is possible that a GDS may not yet have inhibited the use of that stock to produce a paper ticket after that date. If a neutral paper ticket is erroneously issued on/after 1 June it will not be accepted for normal sales reporting and travel. It is therefore vital that at the close of business on 31 May 2008 all remaining paper tickets be removed from the ticket imprinter machines.

The following should also be noted: -

1. The IATA systems will be adjusted to reject a BSP reported sales where a paper ticket has been erroneously issued on/after 1 June 2008. This will result in the transaction not being reported to the issuing airline in the standard reporting process and will be classified in the BSP as an "unreported sale".
2. As this erroneous sale will be unreported in the BSP, the ticket will not be shown on the BSP Billing Statement and as a result, the airline will not be paid for the ticket through the BSP.
3. A passenger holding such a ticket may be stopped at check-in by an airline agent noting the issuance date of the ticket. The airline may request the passenger to purchase a new ticket and seek a refund from the agent, which issued the neutral paper ticket.
4. Should an airline transport the passenger on the paper BSP ticket in error, the airline will not be able to account for this document in its revenue accounting system and this will result in an ADM being issue to you for the unreported sale. Should you continue to issue paper tickets on/after 1 June 2008 this may lead to bilateral action by the BSP participating airline regarding your appointment.

4. Impact of the elimination of neutral paper tickets on 3rd parties in the BSP:

1. In some BSPs, non-airline companies are participating as a "BSP Participant". In these instances the companies are using the IATA neutral Standard Traffic Document in OPATB2 or OPTAT format.
2. The elimination of neutral paper tickets will impact on these operations as no physical neutral paper tickets will be available for issuance by agents for these 3rd party services.
3. In some instances, these 3rd party participants have adapted their business models to address this, for example, a rail company has effectively ceased participation in the BSP and is now operating a Web based "low cost" ticketless model.
4. Should you sell transportation on these 3rd party BSP participants you should ensure that they have communicated to you their plans.

5. ET eligible itineraries on/after 1 June 2008

Travel agents should enquire with their system provider(s) to determine if at time of pricing and any subsequent modification(s) to the reservation when re-pricing may be required, there is a feature to alert you when the itinerary cannot be issued on a single electronic ticket. This is in recognition of the fact that whilst each flight segment individually may be ET eligible, the particular mix of marketing/operating carriers in the itinerary would not allow you to issue the electronic ticket on any of those carriers with whom you have been granted the ticketing authority because interline ET does not exist with all participants in the itinerary.

This is Exhibit C referred to in the
affidavit of BRUCE BISHINS
sworn before me, this 20th
day of MAY, 2008
Jim Kerola
A COMMISSIONER, ETC.,



USE *AND* ISSUANCE OF AIR CANADA E-TICKETS

Effective June 1st, 2008, tickets can no longer be issued using BSP neutral paper ticket stock. The following processes will assist you in issuing e-tickets on/after June 1st, 2008.

For V-MPD policy, please refer to the FLASH dated May 13, 2008.

1. E-TICKETS, EFFECTIVE JUNE 1ST, 2008

For tickets issued on or after June 1st, 2008, tickets can no longer be issued on neutral paper ticket stock using Air Canada airline accounting code (AC 014).

The IATA 100% ET mandate is a worldwide initiative to be followed by all countries, with the exception of the U.S., who uses ARC as their clearing house.

If a neutral paper ticket is erroneously issued on/after June 1, 2008, it will not be accepted for normal sales reporting and travel. You must record the paper ticket as *VOID* and issue them as ET.

If a carrier chooses to settle directly with an agency, the agency will be able to issue paper using that particular carrier's plate and their ticket stock. Air Canada will not provide agencies with its own ticket stock.

2. CARRIER IDENTIFICATION PLATES (CIPS)

Starting the week of May 26th, 2008, Air Canada will send a letter to all agencies with procedures to return the 014 CIPs.

3. GDS PROVIDERS AND PAPER TICKETS

Amadeus, Sabre, Worldspan, Galileo and Apollo will be inhibiting paper ticketing for all BSP countries. Effective midnight, May 31st, 2008, all tickets must be issued electronically.

Abacus, Axess, Infini, Topas and Travelsky will also be inhibiting paper for international points of sale.

If the GDS ET link is down for an extended period of time, you can either:

- Wait until the link is restored, or
- Book at www.aircanada.com/agents.



USE AND ISSUANCE OF AIR CANADA E-TICKETS

4. AIR CANADA ET ELIGIBLE DESTINATIONS

All Air Canada destinations, online and code-share, are ET eligible with the exception of AC* code-share on Air Jamaica (JM) between Toronto-Kingston.

If you need to issue a ticket for travel between Toronto – Kingston, a V-MPD (PTA, option #1 in *BSPlink*) must be issued.

The PNR associated to the V-MPD prepaid must be queued to the Air Canada PTA desk, for the prepaid to be set up. Air Canada will issue and mail the ticket. Include in the PNR the address where the ticket is to be mailed and allow 10 business days for mailing the paper ticket.

5. INTERLINE E-TICKET AGREEMENTS (IET) ON AIR CANADA

Air Canada has interline agreements with 86 carriers.

LAPSA (PZ) is the only carrier with whom AC does not have an IET, as this carrier is not yet ET eligible. To issue a ticket to a PZ destination, you need to issue a V-MPD (PTA, option #1 in *BSPlink*) as the itinerary in not ET eligible.

The PNR associated to the V-MPD prepaid must be queued to the Air Canada PTA desk, for the prepaid to be set up. Air Canada will issue and mail the ticket. Include in the PNR the address where the ticket is to be mailed and allow 10 business days for mailing the paper ticket.

For a complete list of interline partners, refer to CIC*26/8/XX (XX is the airline code). Refer to the grid at the end of this document for the list of carriers where IET is possible (subject to change).

If the itinerary is not covered by an interline agreement, two separate tickets must be issued, similar to the current procedure.

6. INFANT TICKETING ON INTERLINE JOURNEYS

Although Air Canada has enabled the IET infant functionality for infants with interline partners, it does not mean that each individual carrier has developed the same abilities. As soon as they develop the functionality, they will become an eligible IET infant partner.

Effective June 1st, 2008, Air Canada has IET functionality with the following STAR Alliance partners:

AI*, JK, KF, LX, MS*, NH, NZ, OS, OZ, SA, SK, SQ, TG, TK, TP, US (* future member)

For a complete list of infant IET partners, refer to CIC*26/8/XX (XX is the airline code). Refer to the grid at the end of this document for the list of carriers where infant IET is possible (this grid will change as more infant interline partners are implemented).



AIR CANADA

USE AND ISSUANCE OF AIR CANADA E-TICKETS

Where infant IET is not functional, you should first issue the adults tickets in the normal way. Then issue a V-MPD (PTA, option #1 in *BSPlink*) in order for Air Canada to issue the infant's ticket on your behalf.

The PNR associated to the V-MPD prepaid must be queued to the Air Canada PTA desk, for the prepaid to be set up. Air Canada will issue and mail the ticket. Include in the PNR the address where the ticket is to be mailed and allow 10 business days for mailing the paper ticket.

7. INTERLINE TICKETING TO NON-ET ELIGIBLE STATIONS

There may be destinations served by our interline partners where we don't code-share, and have yet to be turned up as ET. For travel originating Canada, you need to issue a V-MPD (PTA, option #1 in *BSPlink*) for the non-ET eligible itinerary and queue to Air Canada to issuance.

The PNR associated to the V-MPD prepaid must be queued to the Air Canada PTA desk in, for the prepaid to be set up. Air Canada will issue and mail the ticket. Include in the PNR the address where the ticket is to be mailed and allow 10 business days for mailing the paper ticket.

8. ADDITIONAL COLLECTIONS

The original ticket has to be exchanged for a new ticket, showing the ADCOL amount. If any change fee applies, enter the amount as a CP tax field on the reissued ticket.

9. PREVIOUSLY ISSUED PAPER TICKETS

With passengers holding paper tickets for travel after May 31st, 2008, Air Canada has a contractual obligation to accept those customers. This applies to both 014 and OAL issued paper tickets, regardless of point of sale.

Passengers holding an MPD/MCO issued by Air Canada Airports or Customer Relations, can have it exchanged for a ticket issued by a travel agent. Any additional collection requires credit card or cash form of payment. Mark paper MPD/MCO coupon as exchanged with notation of new ET number and retain on file.

10. EXCHANGE OF PAPER TICKETS

Paper tickets requiring an exchange, must be exchanged for ETs starting June 1, 2008.

If the paper ticket is for a non-ET eligible itinerary, update the booking in your GDS and queue it to Air Canada for a revised fare quote, before your customers get to the Air Canada ticket counter for re-issue.



USE *AND* ISSUANCE OF AIR CANADA E-TICKETS

11. FUTURE PAPER TICKETS

Air Canada supports the 100% ET mandate for all itineraries where ET is possible, and will not issue any paper tickets.

Paper tickets will be issued only for non ET eligible routes, in exchange for an agency issued V-MPDs, and customer direct sales. All paper tickets issued against a V-MPD will be sent by mail to the requested address. Any V-MPDs used for issuance of non ET eligible itineraries must be sent to Air Canada at least 10 business days prior to travel.

If Air Canada is issuing the ticket against a V-MPD issued by an agency, the agency will receive revenue credit.

12. REFUNDS

Currently and after May 31st, 2008, agencies can refund tickets using the GDS automated refund functionality, and retain the refunded passenger coupons in their office. Galileo is currently working on expanding this functionality.

13. ISSUANCE OF OPEN SEGMENTS

An agency may issue IET open segments, if eligible, however, Air Canada will not issue tickets on your behalf for interline itineraries where open segments are not permitted. It is recommended that you book a segment in order for an ET to be issued.

14. SPLIT PAYMENTS (EXAMPLE: CREDIT CARD AND CASH) AND ET

Air Canada does not allow split form of payment (FOP) using the Air Canada vendor number. You could process the credit card through your agency vendor account and report the ticket to AC as a cash sale.

15. GROUPS AND IET

A solution is currently being developed and we will communicate this once it is finalized.

16. ROUND THE WORLD FARES

Star Alliance RTW (Round the World) fares will be ET eligible by June 1st, 2008. Since May 1, 2008, they have been limited to a maximum of 16 segments; re-issues need to have the same number of segments or less.



AIR CANADA

USE AND ISSUANCE OF AIR CANADA E-TICKETS

Airlines with Interline Ticket Agreements (IET) on Air Canada and Infant IETs

Subject to changes as more interline partners are implemented. For up-to-date list, refer to CIC*26/8/XX (XX = airline code)

Airline	Code	Infant ET	Airline	Code	Infant ET
Adria Airways	JP		Japan Airlines	JL	Yes
Aeroflot	SU		Jet Airways	9W	
AEROMEXICO	AM		Kenya Airways	KQ	
Air China Limited	CA		KLM	KL	
Air Creebec	YN		Korean Air	KE	Yes
Air France	AF	Yes	Kuwait Airways	KU	
Air Jamaica Limited	JM		LACSA	LR	
Air Mauritius	MK	Yes	Lan Airline	LA	
Air New Zealand	NZ	Yes	Lan Argentina	4M	
Air One	AP		Lan Perú	LP	
Air India	AI	Yes	LanEcuador	XL	
Alaska Airlines	AS		LOT Polish Airlines	LO	
Alitalia	AZ	Yes	Lufthansa Cargo	LH	
All Nippon Airways	NH	Yes	Luxair	LG	
America West Airlines	HP		Malaysia Airlines	MH	Yes
American Airlines	AA		Malev	MA	Yes
Asiana	OZ	Yes	MEA	ME	Yes
Austrian	OS	Yes	Mexicana	MX	
Avianca (June 1 st /08)	AV		Northwest Airlines	NW	
Bearskin	JV		Philippine	PR	Yes
Biman	BG	Yes	Qantas	QF	
Blue1	KF	Yes	Qatar Airways	QR	Yes
BMI	BD		Royal Jordanian	RJ	Yes
British Airways	BA	Yes	SAA	SA	Yes
Canadian North	5T		SAS	SK	Yes
Cathay Pacific	CX	Yes	Saudi Arabian Airlines	SV	Yes
Cayman Airways	KX	Yes	Shanghai Airlines	FM	
Central Mountain Air	9M		SIA	SQ	Yes
China Southern Airlines	CZ		Skywest (UA)	OO	
Continental Airlines	CO	Yes	Spanair	JK	Yes
Croatia Airlines	OU		SriLankan	UL	Yes
Czech Airlines	OK		SWISS	LX	Yes
Delta Air Lines	DL		Lapsa	PZ	
Dragonair	KA	Yes	TAM Linhas Aereas	JJ	Yes
Egyptair	MS	Yes	TAP - Air Portugal	TP	Yes
Emirates	EK	Yes	Thai Airways	TG	Yes
Ethiopian Airlines	ET	Yes	THY	TK	Yes
EVA Air	BR		United Airlines	UA	
First Air	7F		US Airways, Inc.	US	Yes
Gulf Air	GF	Yes	Vietnam Airlines	VN	
Iberia	IB	Yes	Virgin Atlantic	VS	
Icelandair	FI		Wideroe	WF	
Iran Air	IR	Yes	Yemenia	IY	

This is Exhibit D referred to in the
affidavit of BRUCE BISHINS
sworn before me, this 20th
day of MAY, 2008
[Signature]
A COMMISSIONER, ETC.,



Geneva, 9 May 2008

Recovery of Paper Tickets by SAFLOG

Dear IATA Agent,

I refer to my letter of 28 April 2008 concerning the move to full electronic ticketing and the recovery of IATA paper tickets in your possession after 31 May.

I am pleased to report that the vast majority of you have followed our instructions to register using the SAFLOG system. I want to thank you for taking the time to complete this process.

SAFLOG will contact you after 20 May with instructions on how to prepare the "Packing List" for the pick up of the paper ticket stock. Please note that we are only asking you to return the paper tickets. Other documents and administrative forms are not being recovered as part of this process.

On your first business day after 31 May you will need to record in the SAFLOG system the final count of our remaining paper tickets as the final "Packing List". Once SAFLOG has this information in their system they will confirm the date they will visit you to pick up the tickets.

We will be in direct contact with those Agents who have failed to register in the SAFLOG system. We are aware that, in some instances, this failure is the result of technical or procedural problems and our Country Managers will work with you to resolve these problems. We are confident that those of you facing these difficulties will be able to complete the registration before the 15 May, which is when we will close the registering system.

However, I am also aware that a small number of Agents are deliberately not cooperating with our instructions to register in the system. This may be in the mistaken belief that, if they do not register, and they hold on to our ticket stock after 31 May, they will be able to continue to issue paper tickets. I want to stress that we have taken steps with the GDSs to prevent IATA paper tickets from being issued on or after 1 June 2008. It will also not be possible to report these sales through the BSP. Further, IATA and our BSP airlines will treat any IATA BSP paper ticket issued on or after 1 June as fraudulent and you will be held financially liable.

In my letter of 28 April I referred to specific sanctions that would be applied if an Agent deliberately refused to return our tickets. Please note, that failure to cooperate fully with IATA in the recovery of paper tickets will result in IATA initiating default action against the Agent concerned. The implications of default action are very serious as it will result in the Agent being removed from the Agent List and GDSs will be instructed by IATA to suspend the ability to issue tickets. Reinstatement as an IATA Agent after default action will take time and may result in the Agent having to provide an increased financial security. I would strongly urge these few Agents to cooperate with us and register in the SAFLOG system before it is too late.

I thank you in advance for your cooperation and remind you that you can send any questions or comments to: bspsupport@iata.org.

Yours Sincerely,

Tom Murphy
IATA Agency Administrator

This is Exhibit E referred to in the
affidavit of BRUCE BISHINS
sworn before me, this 20th
day of MAY, 2008
[Signature]
A COMMISSIONER, ETC.,

FINAL RESOLUTIONS
63RD IATA ANNUAL GENERAL MEETING

I. Resolution on E-Ticketing

Recalling the Resolution, adopted by the 60th AGM in 2004, which established the date of 31 December 2007 for the elimination of all paper tickets and directed the Board of Governors to review progress annually against this deadline;

Commending the remarkable progress achieved by BSP-participating airlines meeting interim targets of 40% ET penetration by end 2005 and 70% by end 2006, and reaching over 80% in April 2007;

Recognizing that challenges remain to close the gap, including ET interline agreements that pairs of airlines wish to complete;

The 63rd Annual General Meeting of IATA hereby:

1. Amends the decision of the 60th AGM and establishes a deadline of 31 May 2008 for elimination of all paper tickets from the IATA network of BSPs;
2. Instructs IATA management to:
 - a/ continue work to assist all airlines in meeting the 31 May 2008 deadline;
 - b/ support individual airlines that wish to complete the elimination of paper tickets earlier in 2008; and
3. Urges all airlines to clearly communicate their plans for future electronic interline relationships with all their existing interline partners.

This is Exhibit F referred to in the
affidavit of BRUCE BISHINS
sworn before me, this 20th
day of MAY, 2008
[Signature]
A COMMISSIONER, ETC.,

List of Parties Authorizing CSTAR to Act as their Representative

NUMBER	AGENCY	IATA NBR	CITY	PROVINCE
1	HELEN THOMPSON TRAVEL	67689425	TORONTO	ON
2	A. NASH TRAVEL INC.	67896986	MISSISSAUGA	ONTARIO
3	ALDERGROVE TRAVEL HOUSE	61695852	ALDERGROVE	B.C
4	HARVEST TRAVEL LTD.	62656591	STEINBACH	MANITOBA
5	CARLSON WAGONLIT MOKAMI TRAVEL	64770436	GOOSE BAY	NL
6	PARKLAND TRAVEL (1993) LTD	60799395	STONY PLAIN	AB
7	ALGONQUIN TRAVEL	67547653	ORLEANS	ON
8	SOJOURN TRAVEL INC	67619565	TORONTO	ONTARIO
9	UNIGLOBE RIVER VALLEY	63930414	SAINT JOHN	NEW BRUNSWICK
10	MISSISSAUGA EXECUTIVE TRAVEL	67729911	MISSISSAUGA	ONTARIO
11	TJ TRAVEL LTD	67708502	STRATFORD	ON
12	ROSEWAY TRAVEL LTD	61834113	WEST VANCOUVER	BC
13	LETTS TRAVEL SERVICE LTD.	67738274	NORTH BAY	ON
14	TRAVELMASTERS/HOCKEY CANADA	60538833	2424 UNIVERSITY DRIVE NW	AB
15	GO TRAVEL (2000)	60818402	ST. ALBERT	ALBERTA
16	CARLSON WAGONLIT TRAVEL/GLOBAL TRAVEL CENTRE	67793235	OTTAWA	ONTARIO
17	MARLIN TRAVEL - NEWMARKET	67728964	NEWMARKET	ON
18	TRAVEL MASTERS CALGARY NORTH	60500576	CALGARY	ALBERTA
19	FIVE SEASONS TRAVEL	67653552	HAMILTON	ONTARIO
20	HOWARD TRAVEL	67688655	BROCKVILLE	ONTARIO
21	MARLIN TRAVEL	67722480	OAK RDIGES	ON
22	ADVANTAGE LAKELAND TRAVEL	60605915	COLD LAKE	AB
23	UNIGLOBE CUSTOM TRAVEL	67501361	TORONTO	ONTARIO
24	G. W. CLARK & CO. INC	69597791	ST. LAMBERT	QUEBEC
25	1987 THE TRAVEL GROUP LTD.	61753974	VANCOUVER	BC
26	FINLAY TRAVEL LIMITED	67651706	TORONTO	ON
27	ALL POINTS TRAVEL	67841900	CAMBRIDGE	ON
28	CWT VISTA TRAVEL LTD	60922396	RED DEER	AB
29	404 TRAVEL LTD	67604946	NEWMARKET	ONTARIO
30	ORBIT TRAVEL	61571252	VANCOUVER	BC
31	ALTONA MALL TRAVEL	62527673	ALTONA	MANITOBA
32	SYD STARR TRAVEL	69867840	MONTREAL	QUEBEC
33	ROYAL TRAVEL(MISSISSAUGA)LTD	67835471	MISSISSAUGA	ONTARIO
34	C WORLD TRAVEL LTD	70536126	REGINA	SASKATCHEWAN
35	CALGARY WORLD TRAVEL GROUP INC	60935254	CALGARY	ALBERTA
36	CARLSON WAGONLIT TRAVEL SOURCE	67507742	TORONTO	ONTARIO
37	TRAVEL MASTERS CALGARY MACLEOD	60718593	CALGARY	ALBERTA
38	DCA TRAVEL SERVICE INC	67617546	TORONTO	ONTARIO
39	PORTS OF CALL TRAVEL LTD.	61807270	SURREY	B.C.
40	FAIRFIELD TRAVEL LTD. O/A TRAVEL MASTERS VICTORIA	61659652	VICTORIA	BC

41	JETPACIFIC HOLIDAYS INC	61655123	RICHMOND	BC
42	AROUND THE WORLD IN 80 WAYS	62537613	WINNIPEG	MANITOBA
43	DOWNUNDER TRAVEL LTD	60501022	.	AB
44	UNIGLOBE PLUS TRAVEL GROUP	6764425	MISSISSAUGA	ON
45	NEW PORTS TRAVEL	61523696	VICTORIA	BC
46	RICHMOND HILL TRAVEL	67704114	RICHMOND HILL	ON
47	VOYAGES ABITIBI CWT	69692954	AMOS	QUEBEC
48	HUME TRAVEL CORPORATION	61674955	VANCOUVER	BC
49	120489 CANADA INC.	67742743	OTTAWA	ON
50	PERRAN TRAVEL INC. O/O AL PERLY TRAVEL SERVICE	67518861	TORONTO	ONTARIO
51	TRAVEL HEADQUARTERS	61675725	VANCOUVER	BC
52	AROUND THE WORLD TRAVEL LTD	60774011	RED DEER	ALBERTA
53	CRAIG CANADIAN GROUP TRAVEL LIMITED	67614433	TORONTO	ON
54	YYZ TRAVEL AMERICAN EXPRESS	67674073	THORNHILL	ONTARIO
55	MARK TRAVEL LTD.	60752565	CALGARY	ALBERTA
56	VIP TRAVEL	67510332	WATERLOO	ON
57	VOYAGES SPS TRAVEL	69520393	MONTREAL	QUEBEC
58	SAMPAGUITA TRAVEL BUREAU	61840096	VANCOUVER	BC
59	UNIGLOBE DONALDSON TRAVEL	67629903	CAMBRIDGE	ONTARIO
60	IMPERIAL TRAVEL SERVICE INC.	69703815	MONTREAL	QC
61	OAKRIDGE TRAVEL	60834410	CALGARY	AB
62	HAGENS TRAVEL & CRUISES	61543392	SUMMERAND	BC
63	WARD'S, THE TRAVEL COMPANY LTD.	60882430	EDMONTON	ALBERTA
64	BLOWES TRAVEL LTD.	67565750	STRATFORD	ONTARIO
65	THE TRAVEL BUG	67882441	LONDON	ONTARIO
66	TRAVEL PROS	67938824	LEAMINGTON	ONTARIO
67	LAKWOOD TRAVEL LTD	67648766	THORNHILL	ONTARIO
68	BUTTE TRAVEL SERVICE LTD.	60578674	EDMONTON	AB
69	VIKING CROWN TRAVEL & CRUISE CENTRE LTD	615176732	NEW WESTMINSTER	BC
70	ALGONQUIN TRAVEL	67547152	TORONTO	ONTARIO
71	HOSPITALITY TOURS TORONTO	67699074	TORONTO	ON
72	JERRIT INCORPORATED DBA AERO WORLD TRAVELS	66675766	HALIFAX	NOVA SCOTIA
73	PATHFINDER TRAVEL AND CRUISE SERVICES	61553155	CAMPBELL RIVER	BRITISH COLUMBIA
74	YOUR TRAVEL PARTNERS INC., O/A MYTRAVEL ALGONQUIN TRAVEL	67543582	OTTAWA	ON
75	RANALLI TRAVEL LIMITED	67821202	HAMILTON	ONTARTIO
76	COLUMBUS WORLD TRAVEL	61543182	VANCOUVER	BC
77	TRANSCON TRAVEL	67882474	OTTAWA	ONTARIO
78	UXBRIDGE TRAVEL CENTRE	67897896	UXBRIDGE	ON
79	EMPIRE EXPRESS TRAVEL LTD	60532264	EDMONTON	AB
80	ACTION TRAVEL	61806883	RICHMOND	BC
81	CAMEO TRAVEL LIMITED	6758177	MISSISSAUGA	ONT
82	VOYAGES CONSTELLATION LTEE	69607521	MONTREAL	QC
83	GLOBEX TRAVEL INC	67542882	TORONTO	ONTARIO
84	M. ROSS HARRIS TRAVEL LIMITED	67508696	BURLINGTON	ONTARIO
85	BAILEYS TRAVEL LTD	66901656	DARTMOUTH	NOVA SCOTIA

86	COSMOPOLITAN TRAVEL SERVICE LTD	69612384	MONTREAL	QUEBEC
87	AERO TRAVEL INC	67796105	WOODBRIGE	ONTARIO
88	ROYAL CITY TRAVEL	67911255	GUELPH	ON
89	BLOOR TRAVEL AGENCY LTD	67565676	TORONTO	ON
90	ADVANTAGE EXECUTIVE TRAVEL(LONDON)LTD	67644931	LONDON	ONTARIO
91	ADVANTAGE HANOVER TRAVEL	67683302	HANOVER	ONTARIO
92	CARLETON TRAVEL	67815296	PERTH	ON
93	TRANSUN TRAVEL	67883060	TORONTO	ONTARIO
94	LETZ TRAVEL INC.	67536582	PETERBOROUGH	ONTARIO
95	JACKIES TRAVEL	67711545	ANCASTER	ONTARIO
96	SIDEYS TRAVEL	56851840	PORT COLBORNE	ONTARIO
97	K. BENN TRAVEL	67695972	TORONTO	ONTARIO
98	UNIGLOBE THE PREMIERE TRAVEL GROUP	67706973	OTTAWA	ON
99	VOYAGES BRUNET CARLSON WAGONLIT	69832210	VALD OR	QUEBEC
100	RED LAKE TRAVEL SERVICES	67730854	RED LAKE	ON
101	UNIGLOBE ENTERPRISE TRAVEL LTD.	67641114	TORONTO	ON
102	ERNIE KING TRAVEL	67769096	TORONTO	ONTARIO
103	VENDOME TRAVEL PLUS LTD	69508040	MONTREAL	QUEBEC
104	ROBERT Q TRAVEL	67502271	LONDON	ONTARIO
105	ADVANTAGE ELGIN TRAVEL & CRUISES	67731521	ST THOMAS	ONTARIO
106	REWARD WORLDWIDE	67976392	MISSISSAUGA	ON
107	EGAN TRAVEL LTD.	67909461	OAKVILLE	ONTARIO
108	KEMP TRAVEL	67929234	BOWMANVILLE	ONTARIO
109	TRAVEL ABC	67705411	TORONTO	ONTARIO
110	TRAVEL MASTERS CALGARY SOUTH	60516610	CALGARY	AB
111	OSHAWA TRAVEL LIMITED	67779176	OSHAWA	ONTARIO
112	TRAVEL MASTERS ONE TO ONE TRAVEL	60500381	CALGARY	AB
113	THE TRAVEL GATE LIMITED	67873002	TORONTO	ONTARIO
114	MAYNE TRAVEL SERVICES LIMITED	67757336	NORTH BAY	ONTARIO
115	TRAVELBEST CARLSON WAGONLIT	67587811	NORTH YORK	ONTARIO
116	HEMING TRAVEL GROUP	67849832	BURLINGTON	ON
117	VISTA TRAVEL AGENCY	67922352	HAMILTON	ONTARIO
118	VOYAGE VASCO	69645601	ST JEAN	QUE
119	MANOTICK TRAVEL & CRUISE CENTRE	67750572	MANOTICK	ONTARIO
120	UNIGLOBE COURTESY TRAVEL	61643411	TERRACE	BC
121	BYTOWN TRAVEL LTD	67579304	OTTAWA	ONTARIO
122	FORBES TRAVEL INTERNATIONAL LTD	61880431	VANCOUVER	BC
123	MARLIN TRAVEL	62836115	BRANDON	MB
124	SOL TRAVEL	67500300	ST. CATHARINES	ONTARIO
125	VALLEY TRAVEL SERVICE LTD D/B/A MARLIN TRAVEL	61912104	ALDERGROVE	B.C.
126	HERITGE TRAVEL INTERNATIONAL LTD	60511183	CALGARY	ALBERTA
127	UNIGLOBE VOYAGES LEXUS	69683246	MONTREAL	QUEBEC
128	WALNUT GROVE CRUISE AND TRAVEL LTD	61530453	LANGLEY	BC
129	UNIGLOBE VOYAGES NORDAM	69501596	LAVAL	QUEBEC
130	BRAMALEA TRAVEL CENTRE INC	67831212	BRAMPTON	ONTARIO
131	CARLSON WAGONLIT RICHERT TRAVEL AGENCY INC	70826792	REGINA	SASK

132	MENNO TRAVEL SERVICE (CANADA) LTD.	61762083	ABBOTSFORD	BC
133	TRAVEL AND TOURS EXPERTS	67504231	TORONTO	ONT
134	ODYSSEY TRAVEL	67792362	KINGSTON	ONTARIO
135	HENNE TRAVEL	61762444	TRAIL	BC
136	FARO TRAVEL SERVICES LTD. DBA MARLIN TRAVEL	71570402	WHITEHORSE	YUKON
137	CWT - ROYAL TRVEL	60715071	LLOYDMINSTER	AB
138	FAIRWIND TRAVEL SERVICE LTD	61647062	VANCOUVER	B.C.
139	VISION 2000 TRAVEL GROUP VICTORIA	61715415	VICTORIA	B.C.
140	TRAVEL MASTERS VANCOUVER	61500471	VANCOUVER	BC
141	BEL AIR TRAVEL	67782831	MISSISSAUGA	ONTARIO
142	ASIAN TROPICAL TOURS LTD	67630710	TORONTO	ONT
143	WINDWARD TRAVEL	61544254	KELOWNA	BC
144	BLAINE THOMAS TRAVEL AGENCY LTD	63579552	FREDERICTON	NEW BRUNSWICK
145	LMG TRAVEL LIMITED	67522766	TORONTO	ONTARIO
146	VACATION WORLD TRAVEL CANADA LTD.	60911185	CALGARY	ALBERTA

CANADIAN STANDARD TRAVEL AGENT REGISTRY
Applicant

and

INTERNATIONAL AIR TRANSPORT ASSOCIATION
Respondent

File No.: CT-
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COMPETITION TRIBUNAL

AFFIDAVIT OF BRUCE BISHINS

Affirmed May 20, 2008

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