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May 30, 2008  
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Registry Document No.:

OTTAWA, ONT.

# 0026

**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 ad hoc temporary injunctive order.

B E T W E E N:

**CANADIAN STANDARD TRAVEL AGENT REGISTRY**

Applicant

and

**INTERNATIONAL AIR TRANSPORT ASSOCIATION**

Respondent

**Affidavit of Mr. Michael Feldman**

I, Michael Feldman, am Director, Passenger for the International Air Transport Association ("IATA") and as such I have personal knowledge of the matters hereinafter deposed to.

1. The facts, information and documentation herein are based on my personal knowledge, except where stated to be based on information and belief, and where so stated, I verily believe that such information is true.
2. This affidavit is sworn in support of IATA's submissions in response to the request by CSTAR for temporary injunctive relief in the nature of an order that would prevent the implementation of full electronic ticketing by IATA in Canada alone, and prohibit the recovery of Standard Paper Stock of IATA

from Canadian travel agents, for a period after May 31, 2008 until an Application by CSTAR for Leave to bring an application under Sections 75 and 104 of the *Competition Act* can be heard and decided (“temporary injunctive Order”).

3. I am advised that the Application by CSTAR was filed on May 20, 2008 and contains a lengthy affidavit with allegations about the effect of implementation of full E-ticketing by IATA and the other participants in the international aviation industry. I have read the affidavit and consider it to be substantially inaccurate and misleading in many important respects. For the purposes of the temporary injunctive order that is sought, however, my present affidavit will deal only with the facts that bear on the effect of such an order. I have grouped them as follows:
  - a) the temporary injunctive order sought by CSTAR would be ineffective, as IATA could not practicably comply with it;
  - b) even if it could possibly be carried out (which it cannot), the end result sought by CSTAR through the temporary injunctive order would cause serious prejudice to the entire aviation industry worldwide, and this would be particularly true in Canada;
  - c) the issues raised by CSTAR are transitional, *de minimis* and several practical solutions have been developed by market participants to address and handle them;
  - d) CSTAR appears to have delayed its application until the last minute when the concerns expressed by CSTAR have been known for months;
  - e) CSTAR is not itself a travel agent and it is unaffected by the implementation of E-ticketing.
- A. **The temporary injunctive order sought by CSTAR would be ineffective**
4. The transition from the use of paper tickets to full 100% E-ticketing is an industry trend that has been developing since 1994 throughout the world.

5. The transition has involved significant re-engineering of processes from virtually all of the industry participants worldwide, including airports, airlines, booking facilities (such as the Global Distribution Systems, otherwise known as GDSs) and travel agencies.
6. Through its "billing and settlement plans" (otherwise known as "BSPs"), IATA provides participating airlines and accredited travel agents with an effective means for the issuance, reporting and settlement of standard airline tickets ("BSP Tickets") in some 160 countries and territories in the world.
7. In total, over 350 airlines and 53,000 travel agents participate in BSPs worldwide and as a result the overwhelming majority of tickets issued for air travel by the industry are in fact BSP Tickets. In Canada, there are approximately 2,700 IATA-accredited travel agencies, with approximately 4000 sales outlets.
8. Traditionally BSP Tickets were issued on standard paper stock (generally known as "STDs"), which was provided to the accredited agents by IATA's local BSPs. The STDs belong to IATA and are provided to travel agents without charge. Travel agents used the STDs in their capacity as agents for IATA member airlines, all of which were obliged to honour STDs issued by an accredited agent.
9. BSP Tickets were printed on the blank STDs provided by IATA. The STDs are in the nature of negotiable instruments and because of their valuable nature, they are subject to extensive security and handling requirements that IATA, the airlines, travel agencies, third party handlers and other participants in the industry must meet.
10. In June 2004, IATA launched its E-ticketing initiative with a target date of December 31, 2007 for the full elimination of paper tickets from all of its BSPs.
11. At that time, worldwide penetration of E-ticketing stood at about 19.3%, as appears from the chart detailing the progress of the ET penetration on a worldwide basis attached herewith, and marked as **Exhibit "A"**.
12. As part of the initiative, business processes had to be re-engineered, accounting systems had to be adapted, supply agreements had to be terminated and other

agreements had to be amended or negotiated anew. These undertakings were carried out at significant cost by all participants in the industry.

13. To encourage the tremendous efforts that would be required, and to support the industry in this task, IATA's management created a dedicated team of 39 employees, with an additional 130 employees in various regional and national offices being trained to provide further local support to airlines and other stakeholders.
14. In total, IATA alone invested more than 120 million USD in the initiative. Very significant investments by other industry participants, to establish the necessary IT infrastructure, electronic interline agreements, processes and personnel have also been made over the last four years.
15. Although significant progress had been made, by May 2007, it appeared to the IATA Board of Governors that the level of E-ticketing penetration reached was not high enough to guarantee a successful transition to 100% E-ticketing by December 31, 2007. Therefore, a new and final deadline date of May 31, 2008 was adopted by the Board in May 2007. That decision was made known to all participants in the industry, (including specifically the Canadian travel agency community) and as a result, industry participants from around the world started to organize their processes and prepare their business models with a view to fully eliminate paper tickets as of June 1, 2008.
16. Most of the business changes brought by industry participants took months to prepare and involved substantial changes to their operations.
17. Most of these changes cannot now be reversed, particularly at virtually no notice.
18. Moreover although IATA successfully promoted the transition to full E-ticketing and the elimination of paper among industry participants, IATA does not control these other parties, including airlines, GDSs, airports, or third party handlers. IATA has no legal basis to require these independent third parties to take any particular business decision without their concurrence.

19. There are several examples of situations that illustrate IATA's likely inability to carry out the temporary injunctive Order sought by CSTAR in whole or in part. For illustrative purposes, I will review three such situations herein below:

- i) Global Distribution Systems
- ii) Airlines
- iii) Unavailability of paper stock

*i) Global Distribution Systems*

20. Having regard to my responsibilities for the direction of the E-ticketing initiative of IATA, I am generally aware of actions taken by industry participants, including the Global Distribution Systems (also known as GDSs).

21. The role of GDSs in the industry is described as follows by the web site [www.businessdictionary.com](http://www.businessdictionary.com) :

*"Worldwide computerized reservation network used as a single point of access for reserving airline seats, hotel rooms, rental cars, and other travel related items by travel agents, online reservation sites, and large corporations. The premier GDSs are Amadeus, Galileo, Sabre, and Worldspan owned and operated as joint ventures by major airlines, car rental firms, and hotel groups. Also called automated reservation system (ARS) or computerized reservation system (CRS) "*

22. Their role is essential to the issuance of BSP Tickets. The GDSs provide the interface between travel agents and BSPs for the reservation and issuance of BSP Tickets, providing an essential function in the booking of BSP Tickets by accredited travel agents. Travel agents who want to issue BSP Tickets must do so through the facilities provided by the GDSs. As a result, practically speaking, in the absence of GDSs' ability to enable the issuance of paper tickets, there can be no paper tickets issued by accredited agents.

23. Over the last few months, all GDSs have, in reliance on the deadline set by IATA of May 31, 2008, re-engineered their processes and systems so as to eliminate their ability to enable the issuance of paper tickets.

24. In order to do so, they have generally terminated agreements with their various suppliers for services around the upkeep of the specialised ticket printers.

25. Although they provide tools that are essential to most travel agents in their relationships with BSPs, IATA has no agreement with GDSs, apart from their certification.
26. The contractual arrangements of GDSs with the industry participants are with individual travel agents and with airlines, to which they provide their services.
27. Without action by the GDSs to re-enable the issuance of paper tickets, IATA will not be able to effectively reactivate the issuance of paper BSP Tickets, even if ordered to do so by the Tribunal.
28. The necessity of the GDSs participation to give effect to an order of the Tribunal is explicitly acknowledged by CSTAR's own submissions, when it seeks an order directing IATA to:

*"assure that all third parties, including, but not limited to, Global Distribution Systems (GDS) and local processing providers are able to facilitate IATA's continuation of paper ticketing functionality"*

29. The impending inability of the GDSs, (which are not parties to the Competition Tribunal proceedings), to enable the issuance of paper tickets will mean that IATA cannot effectively do so. IATA has no ability to give direction to the GDSs with respect to their policy or procedures, and has no power to force them to change independent business decisions that they have taken and are about to implement.
30. IATA has no control whatsoever over the operations of GDSs, which are fully independent third party companies.

*ii) Airlines*

31. As mentioned above, over the past few years the entire aviation industry on a worldwide basis has been moving towards E-ticketing.
32. This is particularly true for airlines who had to undergo substantial changes worldwide to their revenue accounting systems, their IT systems, their airport ground operations, their interlining agreements with other airlines, and generally

to their entire business model, with a view to realign their operations with an environment that would be paperless for June 1, 2008.

33. Numerous decisions by individual airlines impact the ability of IATA to influence the issuance of paper tickets in Canada or elsewhere. Although airlines retain the ability to issue paper tickets on their own paper stock (even after June 1, 2008), certain airlines no longer accept paper tickets and this trend is likely to continue.
34. Similarly, airlines that have gone through substantial costs to implement full E-ticketing by May 31, 2008 could always in their full and independent business discretion decide to refuse to allow travel agents to continue to issue BSP Tickets on standard paper stock in Canada, irrespective of IATA's decisions or actions. It is important to recognise that in committing airline space and confirming a reservation, travel agents are always subject to the policies of the airlines, which IATA does not control.
35. Once again, if IATA were compelled by the Tribunal to make paper stock available in Canada, IATA could not require airlines to continue to instruct their agents to issue paper BSP Tickets after May 31.
36. For this reason, the possible temporary injunctive Order would be ineffective, as it would depend on independent decisions by the airlines – in Canada and throughout the world – to give it effect.

*iii) Unavailability of paper stock*

37. As mentioned above, the paper stock that IATA provided to travel agents in order to print the paper BSP Tickets was prepared in accordance with very detailed technical specifications, including pre-encoded information, and, in Canada, using carbonized paper.
38. The specifications also typically varied from one country to another, according to local regulatory requirements, practices and languages, so that the paper stock used in one country would generally not be used in another country.

39. In the past, IATA typically ordered paper stock on an annual basis, but as phasing out of the paper stock was in progress, about nine months ago IATA placed its final orders for paper stock from its various printers.
40. As IATA has terminated its agreements with all of its printers several months ago the printers are likely to have destroyed the printing plates for the BSP paper stock, and, I understand that some of them have even sold their printing presses and reoriented their businesses.
41. The ordering and printing of new paper stock used to take approximately three months when IATA was ordering it on a regular basis.
42. As a result of this situation, the paper stock currently available to BSP Canada accredited agents is at the lowest level, and in several instances it would likely not be sufficient to cover many more days after June 1, 2008. As things stand, it would likely take several months for IATA to be able to obtain fresh supply of new paper stock for Canada.
43. Consequently if IATA were ordered to continue to make paper stock available to the Canadian market place, it could not assure the Tribunal that it will be able to physically deliver paper stock to the travel agents as they may need, and this would stand true for many months to come.

**B. The temporary injunctive order would cause prejudice worldwide**

44. Even if the temporary injunctive order were technically feasible, it would in fact be prejudicial for the Canadian travelling public, and it would also come at a considerable cost for the aviation industry worldwide.
  - i) *Prejudice to the Canadian travelling public*
45. Given the nature of the existing paper stock, which is akin to that of negotiable instruments, significant security measures have been taken by IATA in order to recover the paper stock and prevent the risk of fraud after June 1, 2008.



46. IATA has invested over 20 million USD for the physical removal of all existing paper stock, commencing Sunday June 1<sup>st</sup>, 2008, from all of the 53,000 accredited agents locations across the world holding IATA ticket stock.
47. To prevent possible fraud, the thousands of airline staff and handling agents that accept tickets in all the airports of the world have now been briefed and trained not to accept any paper BSP Tickets issued after May 31, 2008.
48. As a result, even if directions could be issued over the coming weekend to these thousands of airline staff and handling agents to make an exception for Canada, it is evident that Canadian passengers who might receive paper BSP Tickets from June 1, 2008 under the temporary injunctive Order (if issued), would run a high risk of being unable to board a plane somewhere in the world.
49. This would especially be true for BSP Tickets issued in Canada for flights that do not involve travel to or from any Canadian airport.
50. In fact, it will be very difficult for any check-in agent anywhere to identify an IATA ticket that has been issued in Canada, rather than in some other country. The uncertainty that would develop in practice in respect of Canadian issued BSP Tickets would result in significant damage to the Canadian passengers who would travel without the assurance that their tickets will in fact be honoured as at present.
51. That risk is not within the power of IATA to manage, as the personnel concerned are not IATA employees or agents and are not subject to its direction or control.

*ii) Cost to the industry worldwide*

52. The uncertainty that would follow from a carve-out for Canada in the international aviation arena would create significant turmoil in the industry.
53. The first few days after June 1, 2008 are already expected to represent a delicate moment for the industry, and they will require cautious handling of numerous special situations that are likely to arise across the world.
54. In this context, it is imperative, in order to minimize problems, financial prejudice and security concerns that the directives be clear, simple and uniform.

55. An order by the Tribunal carving out Canada from 100% E-ticketing would have to be analyzed and interpreted in hundreds of jurisdictions and languages across the world and then properly implemented by thousands of industry people. Needless to say that the risk of errors in such circumstances (and the cost associated therewith) would be significant.
56. In addition to this risk to the travelling public in Canada, there are direct costs that would be assumed by the industry participants, in the event of a Canadian carve out from full E-ticketing. Those costs could be significant even if it were at all possible for the industry participants to re-activate their paper ticketing facilities in time.
57. At the IATA level for instance, the Data Processing Centre for BSP Canada is part of an operation covering over 40 countries around the world using a common software program. In anticipation of a paper-free environment as at June 1, 2008, this program has already been changed so that it will no longer recognise paper tickets for all BSPs as of June 1, 2008. It would now not be possible to make an exception for just one country in time for processing tickets from June 1, 2008.
58. IATA has incurred significant transitional costs and has terminated numerous agreements between BSP Canada and various service suppliers in connection with this realignment.
59. An effort to reactivate the paper handling capacity of BSP Canada, a matter of hours prior to June 1, 2008 (assuming it is at all possible), would come at a very significant cost for BSP Canada, with no assurance that it would succeed.
60. Finally, given the energy and credibility that IATA has put behind the E-ticketing project over the past 4 years and in light of the significant pressure that IATA has put on stakeholders across the globe so that everybody is ready to meet the long set deadline of May 31, 2008, IATA would also suffer very significant harm to its reputation and credibility if an temporary injunctive Order in Canada were to force the industry worldwide to reactivate a paper handling infrastructure.

C. **The issues raised by CSTAR are transitional, *de minimis*, and have been properly addressed**

61. The costs and problems of reversing this initiative by the industry to create even a temporary exception for Canada are to be contrasted with the true nature of the problems and concerns raised by CSTAR in its Application.
62. While these situations may cause inconvenience, they are far from insurmountable; they are all of a transitional character and their economic impact is likely to be of little consequence for the business operations of travel agents.
63. By way of example, as appears from the chart detailing the volume of paper BSP Tickets issued in BSP Canada over the past four years, which is attached herewith and marked as **Exhibit "B"**, the number of paper BSP Tickets issued in BSP Canada is down from over 200,000 paper tickets per month in 2004 to a little over 25,000 tickets in April 2008, and still going down.
64. In addition, this number of about 25,000 paper BSP Tickets issued in April 2008 is to be contrasted with the number of total BSP Tickets issued annually in Canada, which averages about 12 million tickets, as appears from a copy of the historical data prepared by IATA and attached herewith and marked as **Exhibit "C"**. If these transactions were averaged among the 4000 accredited travel agent outlets in Canada, that would produce a figure of about 6 paper ticket transactions per month, on the April, 2008 data. Individual agencies would be more or less affected, but on the whole, it does not appear that the remaining requirements for paper tickets would have a serious impact as they are progressively phased out.
65. Hence, the situations raised by CSTAR in its Application do not have the market significance that CSTAR attempts to portray. They relate to a very tiny portion of the business of Canadian travel agents. On current data, on an annual basis, at least 97.5% of all tickets in BSP Canada are electronic tickets, and thus less than 2.5% of the BSP Tickets are paper. The figure for E-Tickets is increasing rapidly.
66. Moreover, despite their relatively tiny share of the business of the industry, the issues raised by CSTAR have not been ignored by the industry, and various

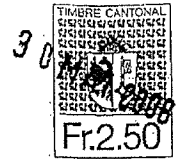
“work-around” solutions have been developed that further minimize any impact on travel agents and passengers of the issues raised by CSTAR.

67. For instance, IATA itself has developed a virtual multipurpose document, also known as “V-MPD”, which is a solution that enables agents to accept a booking and receive a sale from its passenger that is effective and provide an adequate work-around solution in the vast majority of the situations raised by CSTAR.
68. GDSs also have developed their own virtual miscellaneous charges order, also known as “V-MCO”, which essentially permits the passenger to complete all aspects of the transaction with the agent and that maintains agent-processing efficiencies while delivering a plain paper receipt to the passenger that is exchangeable for travel. This appears *inter alia* from a recent press release by Sabre, a copy of which is attached herewith and marked as **Exhibit “D”**.
69. Practical work-around solutions also exist and are being developed for group travel and where electronic interline agreements are not yet in place.
70. In the case of the latter, new electronic interline agreements continue to be negotiated by the industry, and to date the electronic interline agreements in place already cover more than 90% of the existing interline traffic. Kindly note that the interline traffic roughly represents only about 10% of the total number of BSP Tickets issued.
71. Solutions also continue to be developed worldwide for the infant-ticketing issues.
72. CSTAR’s concerns should also be put in perspective with the notorious precarious financial condition of the aviation industry (given the high cost of oil), as has been illustrated in a recent Business Week article released Wednesday, May 28<sup>th</sup>, a copy of which is attached and marked as **Exhibit “E”**.

**D. CSTAR’s request comes late**

73. IATA’s communication with the industry in general about the transition to E-ticketing has been ongoing for some time and has been relentless.

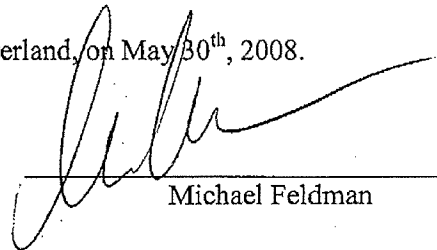
74. Attached herewith and marked as **Exhibit "F"** are copies of some of the Press Releases issued by IATA since 2004 in respect of the E-ticketing initiative and the upcoming deadline of December 31, 2007, which was later delayed to May 31, 2008.
75. In addition to the Press Releases, IATA also frequently published and distributed to the industry various materials and newsletters, including, a monthly newsletter, (a copy of the September 2007 issue being attached herewith and marked as **Exhibit "G"**) and a quarterly CEO Brief (a copy of the CEO Brief issued in June 2007 indicating the new deadline of May 31, 2008 is attached herewith and marked as **Exhibit "H"**).
76. Numerous communications have also been made by BSP Canada to Canadian travel agents over the years in respect of the E-ticketing initiative and the upcoming deadlines, a copy of certain communications being attached herewith and marked as **Exhibit "I"**.
77. Finally over the last two years, CSTAR and its principal Mr. Bishins have been in frequent contact with the personnel of BSP Canada over a number of issues relating to the operations of BSP Canada and numerous e-mails have been exchanged between them.
78. Throughout this entire period, the e-mails emanating from BSP Canada contained a trailer notice which reminded the recipient of the upcoming deadline for full E-ticketing and the removing of paper, a sample copy of such trailer being attached herewith and marked as **Exhibit "J"**.
79. The reality is that Mr. Bishins and CSTAR have been well aware of the progress of the E-ticketing initiative and the existence of the upcoming deadline for several years, and the issues that they are now raising are not new. As a former BSP Canada consultant, Mr. Bishins must have been aware of the impact that the request for interim relief would have concerning this industry initiative and the extreme difficulties, and impossibility, of unravelling the work of the past 4 years (and the foregoing of the industry benefit to Canadian travel agents and airlines alike).



**E. CSTAR is not a Travel Agent**

80. I have reviewed IATA's records of accredited travel agents in Canada and confirmed that CSTAR is not an IATA accredited travel agent. As such CSTAR is unable to issue BSP Tickets for passengers, and it has no right to utilise any other facilities of IATA, including the BSPs. CSTAR does not generate revenue from the issuance of BSP Tickets for IATA member airlines.
81. On its website, CSTAR describes itself as the "*largest non-profit trade association in Canada consisting exclusively of travel agencies*", as appears from a copy of an excerpt of CSTAR's website attached herewith and marked as **Exhibit "K"**.
82. Moreover, as per its certificate of incorporation, a copy of which is attached herewith and marked as **Exhibit "L"**, CSTAR's stated corporate purposes are "*the development, establishment, operation and marketing of a centralized reservation ticketing settlement and accreditation system for use in the retail travel industry and such other purposes not inconsistent with these purposes*".
83. The implementation of E-ticketing could not have any financial or other effect on the business of CSTAR.

And I have signed this Affidavit in Geneva, Switzerland, on May 30<sup>th</sup>, 2008.



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Michael Feldman

**Official Certification**

Seen by the undersigned, Me Michel GAMPERT, a duly authorized Notary public in Geneva, for legalization exclusively, and without certification of power, of the above signature of Mr. Michael FELDMAN, which is the same as the specimen of signature deposited with our office.

Geneva, this 30<sup>th</sup> day of May, 2008



**THIS IS EXHIBIT A  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

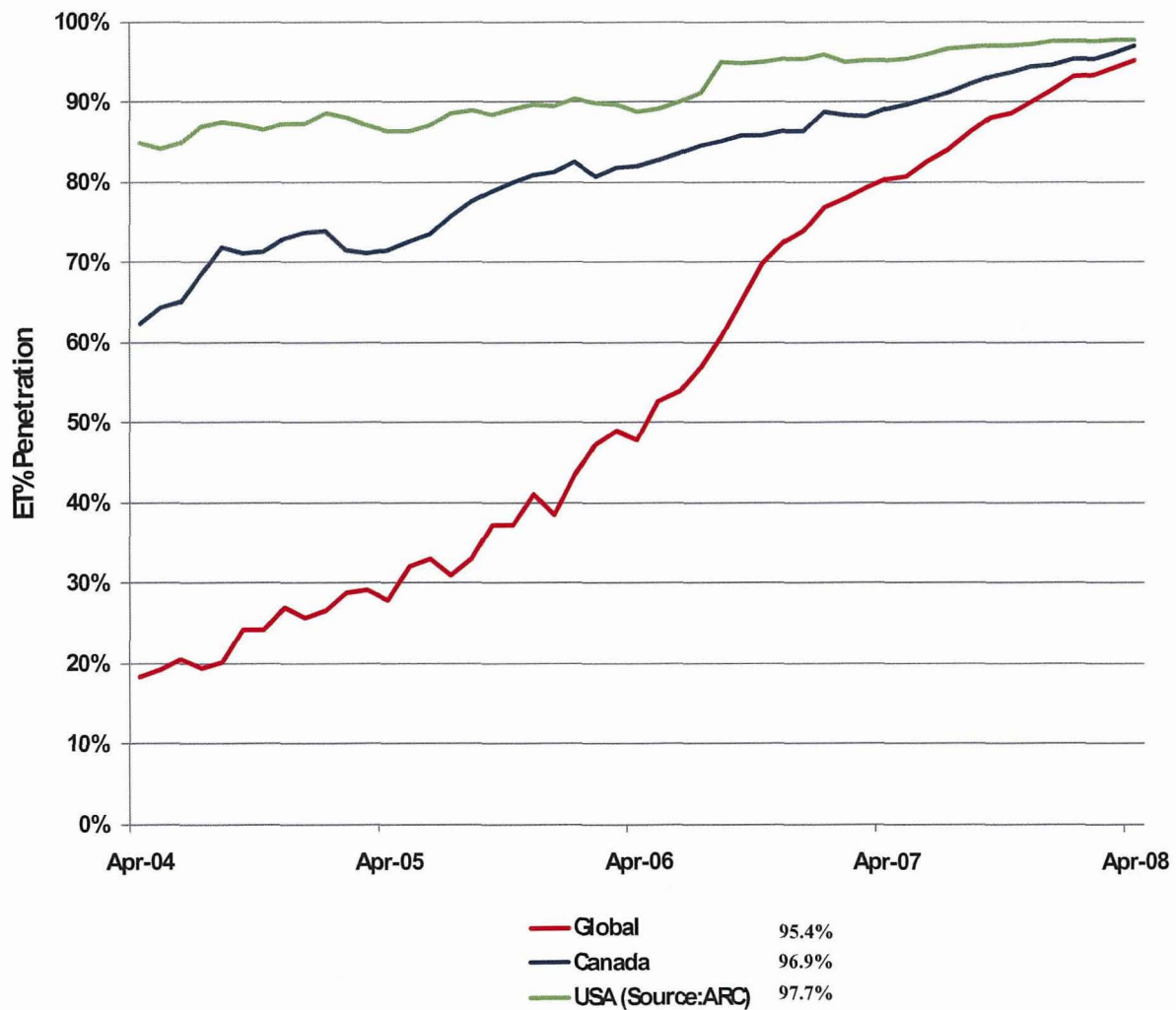
**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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# ET% PENETRATION BY TRAVEL AGENTS IN IATA BSP CANADA, IATA BSP'S GLOBALLY AND THROUGH ARC IN USA

APRIL 2004 - APRIL 2008





**THIS IS EXHIBIT B  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

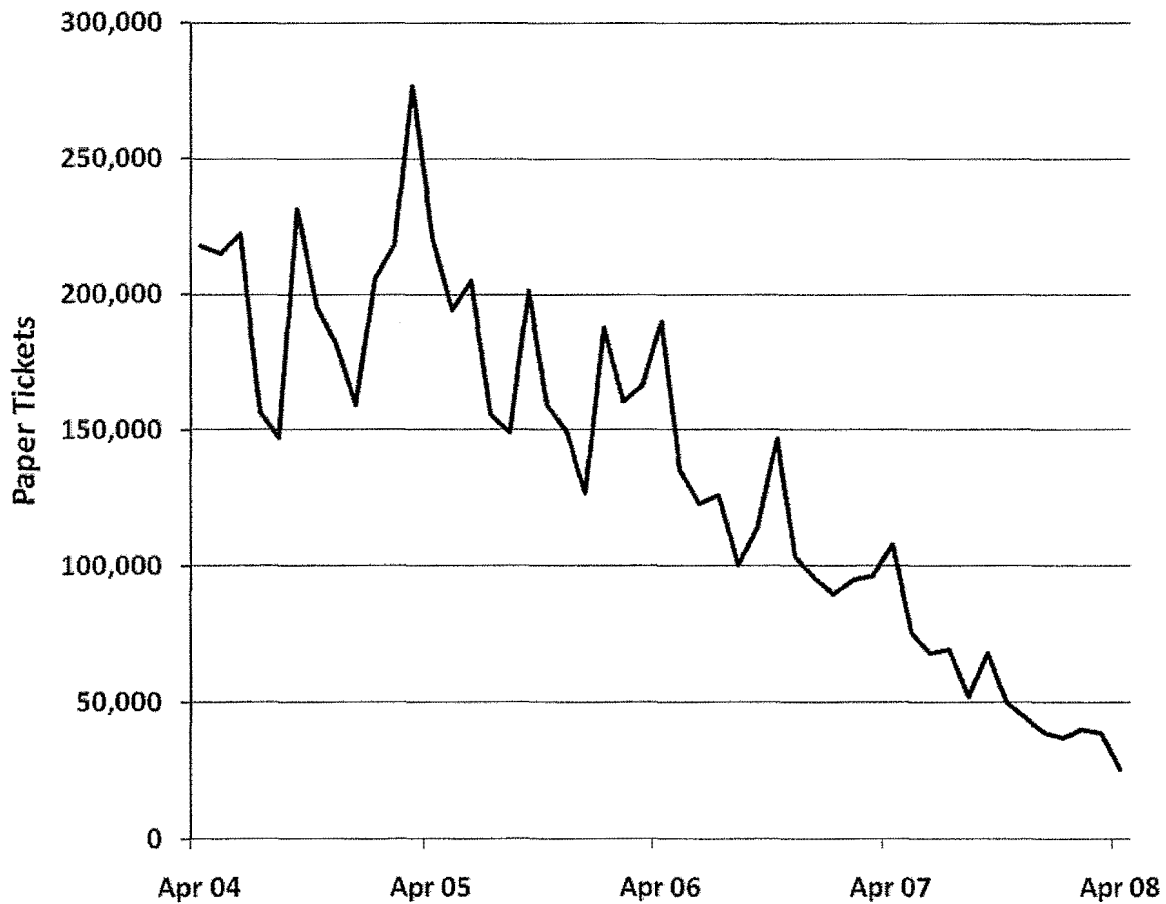
**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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# VOLUME OF PAPER TICKETS ISSUED IN BSP CANADA

APRIL 2004 - APRIL 2008



**THIS IS EXHIBIT C  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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# TOTAL TICKETS ISSUED

## BSP CANADA

### 1995-2007 HISTORICAL DATA

<b>Statistics Aggregation</b>	<b>Year</b>	<b>Volume</b>	<b>ISS Fullname</b>
↗ Total Tickets used	1995	12,770,351	CANADA
↗ Total Tickets used	1996	13,612,934	CANADA
↗ Total Tickets used	1997	14,082,560	CANADA
↗ Total Tickets used	1998	14,908,398	CANADA
↗ Total Tickets used	1999	14,570,845	CANADA
↗ Total Tickets used	2000	15,146,042	CANADA
↗ Total Tickets used	2001	11,986,241	CANADA
↗ Total Tickets used	2002	11,442,962	CANADA
↗ Total Tickets used	2003	9,891,125	CANADA
↗ Total Tickets used	2004	9,321,866	CANADA
↗ Total Tickets used	2005	10,796,469	CANADA
↗ Total Tickets used	2006	12,696,062	CANADA
↗ Total Tickets used	2007	11,675,289	CANADA

**THIS IS EXHIBIT D  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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Sabre Holdings

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## NEWS RELEASE

### **Sabre comes to the rescue with industry-wide e-ticketing solutions**

*New solutions help agencies and airlines transition smoothly to a 100% e-ticketing environment*

SOUTHLAKE, Texas, May 5, 2008 - Sabre Travel Network, the world's leading travel distribution provider today announced plans to launch a Virtual Miscellaneous Charge Order (vMCO) solution to help travel agents book flights and other miscellaneous transactions that are not yet e-ticketable.

The new solution adds to Sabre's existing suite of products designed to help agents and airlines transition to a 100 percent e-ticketing environment.

Available June 1, 'Sabre vMCO' addresses concerns voiced recently by UK and Canadian agency organizations that some transactions would not be e-ticketable in time for IATA's May 31, 2008, 100 percent e-ticketing mandate.

British Airways is one of the first airlines to endorse the use of Sabre's vMCO solution.

"Moving to a 100 percent e-ticketing environment is one of the most significant industry initiatives ever undertaken, and we've been working with airline and agency customers to proactively address gaps where e-ticketing won't be available," said Chris Kroeger, Senior Vice President for Sabre Travel Network.

Agents using 'Sabre vMCO' will be able to arrange for passengers to receive a paper ticket at the airport when an airline or route is not yet e-ticketable. The solution can also be used to pay for miscellaneous transactions such as excess baggage vouchers and exchange fees, as well as "Pre-paid Ticket Advices" ("PTA") and "Tickets on Departure" ("TOD") for which e-ticketing is not yet available.

Addressing the need for agency efficiency, Sabre's vMCO solution will be completely automated, passing transaction details to IATA's Billing and Settlement Plans, and an agency's mid and back-office systems for a fully integrated, end-to-end solution.

"Our agents around the world already issue over 93 percent of their tickets as e-tickets – a figure that is steadily rising as we focus on enabling e-ticketing for remaining airlines and thousands of other interline carriers. Sabre agents can also issue single e-tickets for passengers traveling on multiple carriers, using data from more than 6,100 Interline E-Ticket (IET) agreements we already have in our system," said Kroeger.

Sabre Travel Network's sister company, Sabre Airline Solutions, is also working closely with airlines to help them transition to an e-ticketing environment, offering a solution called 'SabreSonic Ticket' to help airlines distribute electronic tickets through its own sales channels and travel agencies, as well as check in passengers with electronic tickets, and issue IETs.

"More than 150 airlines use 'SabreSonic Ticket' IET 'hub' to facilitate e-ticketing with participating carriers, eliminating the need for bilateral agreements and special connections," said Kroeger.

IET hub-connected carriers include British Airways, KLM, Cathay Pacific, Qantas, US Airways and Northwest Airlines.

about Sabre Travel Network

Sabre Travel Network, a Sabre Holdings company, provides the most comprehensive end-to-end solutions for corporate and leisure travel. The Sabre GDS is the foundation for these solutions, providing a ready-built efficient marketplace that connects travel suppliers, including hundreds of airlines and thousands of hotels, with more than 50,000 travel agency locations. Currently, Sabre collectively handles over 70 percent of the BTN 100 bookings.

Key brands of Sabre Travel Network include GetThere, for corporate travel reservation technology; Nexion, a host agency; SynXis, for hotel reservation management, distribution and technology services; E-site marketing, specializing in online business solutions exclusively for the hospitality industry TRAMS, mid- and back-office solutions and marketing services for travel agencies; and TRAMS Marketing Alliance (TMA), a marketing promotions services for leisure travel agencies. Sabre Travel Network also markets TripTailor Vacations, a travel wholesaler providing dynamic packaging for the travel agency marketplace.

Sabre Holdings connects people with the world's greatest travel possibilities by retailing travel products and providing distribution and technology solutions for the travel industry. More information about Sabre Holdings is available at <http://www.sabre-holdings.com>.

**THIS IS EXHIBIT E  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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**You Think Flying Is Bad Now...**

Wednesday May 28, 8:08 am ET

By Dean Foust and Justin Bachman

To fully appreciate the impact that soaring oil prices have had on the nation's beleaguered airline industry, consider that U.S. carriers will likely spend \$60 billion on jet fuel this year -- nearly four times what they paid in 2000. Because of the spike in fuel costs, airlines now lose roughly \$60 on every round-trip passenger, a slow bleed that puts the industry on pace to lose \$7.2 billion this year, the largest yearly loss ever.

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Not surprisingly, Wall Street has become so dour about the industry's prospects -- can you say federal bailout? -- that the combined market capitalization for the six major legacy carriers and Southwest Airlines has fallen to just over \$17 billion. That's about what ExxonMobil (NYSE:XOM - [News](#)) books in revenues every two weeks. "The U.S. airline industry, as it is constituted today, was not built for \$125-per-barrel oil," Gerard Arpey, the chief executive of American Airlines parent AMR (NYSE:AMR - [News](#)), told shareholders on May 21.

**Consolidation Is Likely**

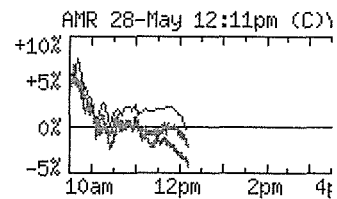
While the industry is no stranger to losing money -- or reorganizing under bankruptcy, for that matter -- experts nonetheless believe that the current crisis has the potential to profoundly reshape the industry in coming years. That means not only far fewer carriers than at present, but forcing the survivors to rethink every facet of how they operate, from ticket pricing to the very way they fly. "The problem right now is that no one knows where the price of oil is going to fall down," says Darryl Jenkins, an aviation expert at Ohio State University. "Right now you're just in kind of the worst of all possible situations. Your planning becomes 'What do we do to lose the least amount of money?'"

If oil prices remain in the triple digits -- above the \$80-to-\$90 break-even level for most airlines -- it will accelerate the shakeout that is already occurring in the industry. While many carriers have in the past exploited bankruptcy as a competitive maneuver to cut costs, experts believe that any carrier that falls into Chapter 11 going forward will likely have to liquidate. That would probably include one or more of the major airlines. "I think

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the real risk this time is not Chapter 11, but (Chapter) 7 -- liquidation," says a senior executive of one major airline. "What happened to Pan Am? TWA? Eastern? I think there's a real risk here that some airlines just go away."

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A court-overseen bankruptcy also could help smooth the industry's transformation if creditors decide the environment is too hostile and agree to sell off valuable assets. Historically, airlines have attracted sufficient funding to operate while restructuring, and new capital when they exit. It's not clear that current market conditions -- high oil prices and credit-squeezed lenders -- would support that playbook. Airlines with the financial muscle to step in -- think Southwest (NYSE:[LUV](#) - [News](#)) -- would be interested. Southwest historically has avoided major acquisitions and considers them a steep risk but clearly recognizes potential opportunity in a bankrupt rival. "It just gives the acquiring carrier a tremendous amount of flexibility to impose change that would otherwise be very difficult," says Southwest CEO Gary Kelly, whose company has remained profitable because of long-term fuel contracts.

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## European Buyers

Analysts say liquidations could well leave an industry consisting of two dominant carriers, most likely the combined Delta (NYSE:[DAL](#) - [News](#))-Northwest (NYSE:[NWA](#) - [News](#)) and perhaps a combined American (NYSE:[AMR](#) - [News](#))-Continental (NYSE:[CAL](#) - [News](#)), along with a couple of discount players like Southwest. "I think the industry is going to look more like Europe -- a couple of far-flung carriers and then a bunch of little guys," says Roger King, airline analyst for CreditSights, a New York-based institutional research firm.

Experts also believe that the oil crisis will eventually prompt Washington policymakers to drop their long-standing resistance to foreign ownership of U.S. carriers, leading to the first generation of truly global carriers. "The U.S. airlines badly need more capital to survive, and the only players with the resources to buy in are the (cash-rich) European carriers. Why would Congress object to that?" asks Robert Mann, an industry consultant in Port Washington, N.Y.

That could give British Airways (BAY.L) the opening for the acquisition of American it has long coveted, and a similar move by Lufthansa (LHAG.DE) on either United Airlines (NasdaqGS:[UAUA](#) - [News](#)) or JetBlue Airways (NasdaqGS:[JBLU](#) - [News](#)), in which it already owns a 19% stake. For all its aviation woes, the U.S. remains the largest, most lucrative travel market in the world. "Don't you think BA would fall over itself to buy American Airlines for \$1.6 billion?" King says. "That's peanuts to them."

## Creative Pricing

This consolidation will come with a cost: Experts believe that for the U.S. industry to shrink to a size that would allow the surviving carriers to earn a profit will require hefty fare hikes and a 20%-to-25% cut in capacity. That means fewer routes, fewer flights, and even more crowded planes. The biggest losers would be smaller cities like Cedar Rapids, Iowa, and Baton Rouge, La., that became accustomed to dozens of daily flights, usually on 50-seat jets that the majors use to feed traffic to their hubs. But oil priced near \$130 has rendered those smaller jets uneconomical, meaning that carriers are likely to fly one much larger plane on marginal routes each day, but no more. "We might keep one flight just to keep Congress off our back," muses one industry executive.

Coast-to-coast flights will change, too. With roughly 30% of the weight of any transcontinental flight consisting of the fuel alone, meaning airlines are burning fuel just to carry fuel, carriers can be expected to replace many of those longer nonstops with one-stop flights, intended largely for refueling.

The era of cheap fares will end, too. Since deregulation in 1978, fares have fallen by more than 50% in real, inflation-adjusted terms. Prices will rise, and airlines will become even more creative in how they set fares. Some experts like Mann wonder if carriers

won't begin charging passengers by weight, as air-freight companies do to transport goods. "There's a huge cost difference between flying a grown man and a 50-pound child," Mann notes. Industry executives say they can't see that happening any time soon -- "too politically incorrect," as one notes. Adds Southwest's Kelly: "I just don't think it makes a lot of sense."

But the airlines will take other steps to wring more cash out of passengers, as American did last week in announcing plans to charge \$15 to check a bag starting June 15. It will mean selling even more classes of service, and charging a premium for window, aisle, and exit-row seats as well as those at the front of the plane. Airlines will also create more levels of service off the plane as well, starting with a separate class of check-in, boarding, and baggage-claim service for travelers willing to pay more for the privilege of zipping in and out of airports quicker.

#### Technical Upgrades

The fee changes and higher fares are likely to cull millions of poor and middle-class travelers from the ranks of regular fliers, ending an era of \$99 cross-country fares and bargain-basement weekend flights. It is also likely that Americans will see a far larger array of new travel products being sold at airline Web sites, such as aggressive hotel packages and travel insurance.

But even airline executives admit that this is all chump change compared with what they could save if they could lower the costs of operating their current fleets of fuel-guzzling jets. In a different environment, that would mean eventually phasing out the traditional cigar-shaped planes the industry flies with a more efficient mode of transport. Engineers working on Boeing's (NYSE:BA - [News](#)) X-48 Blended Wing Project designed a jet that uses nearly 25% less fuel -- think of a Stealth Bomber-shaped plane that resembles one giant wing -- but the design limitations (no easy exit, nor windows for passengers to look out) mean that the planes are likely destined for military use.

Airline executives think they can wring out comparable savings by prodding Congress to fund the long-stalled modernization of the FAA's air traffic control system, which still relies on 1950s-era radar to route planes. Replacing it with a GPS-based system would cost the government and industry a collective \$47 billion to implement, but executives say it could save the industry billions in fuel costs each year. If pilots could fly point-to-point, that could cut the circuitous, 585-mile path they currently must follow between Boston and Washington D.C. by as much as one-third, for instance.

#### A Lovely Bunch of Coconuts

But developing a GPS-based system could take a decade or more, and in the meantime airline executives are exploring ways to reduce their reliance on jet fuel, a kerosene-based oil that currently costs roughly \$2.85 a gallon. But developing an alternative hasn't been easy: Jet fuels have to pack enough oomph to power jet engines and at the same time be dense enough not to freeze in the air at -40C -- a temperature that turns most biofuels into solids. But progress is coming. The Pentagon, which buys more aviation kerosene than any other group, has successfully tested a jet fuel made from liquefied coal. Airbus, meanwhile, is leading a consortium on a project to replace a third of jet fuel with advanced biofuels extracted from algae and plant oils. The efforts will help lower fuel costs and reduce dependence on crude oil.

This past February, Virgin Group CEO Richard Branson christened the first-ever commercial flight powered by biofuels. In its test flight, Virgin flew a Boeing 747 running on a blend of oils from coconut and Brazilian babassu trees, produced by Seattle-based Imperium Renewables. "Two years ago, we thought this was pie in the sky," says Billy Glover, managing director of environmental strategy for Boeing's commercial division. "But things have evolved very rapidly. Our guess is that in five years we could have commercial biojet fuels on the market."

Projected cost: Around \$2 per gallon, or a third less than current prices for aviation kerosene. Coupled with higher fares, biofuels would be cheap enough for airlines to turn a profit. These days, that'd be enough to make many an airline executive go out and collect the coconuts.

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**THIS IS EXHIBIT F  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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No.: 16

Date: 07 June 2004

## Agenda for Change: Part 2 100% e-ticketing by 2007 To Simplify the Business

The decision came as a resolution of the Association's 60th Annual General Meeting taking place in Singapore. E-ticketing is one of four projects that IATA will lead. The others include Common-Use Self-Service Check-in Kiosks (CUSS), Bar Codes and Radio Frequency Baggage Tag Identification (RFID).

"Airlines have done a great job at innovation. Now it is time for IATA to take the next step, and apply the latest technologies to 21st century business practice and change the way the world travels by air. Consumers demand convenience and value. But they are not willing to pay for the complexity that we have built into our global air transport system. We need to simplify our processes to respond to the consumer's need while at the same time ensuring commercial viability for our struggling airlines," said Bisignani.

These initiatives parallel the IATA-led Simplifying Passenger Travel (SPT, [www.spt.aero](http://www.spt.aero)) campaign. SPT focuses on working with governments to move towards biometric identification technology to make passenger processing even more convenient and secure.

The combined implementation of these technologies will define a new era for the travel experience. "We are well on our way achieving greater efficiency, security and convenience throughout a passenger's journey. The industry has decided on a direction and we will make this change happen," concluded Bisignani.

### Contact Details:

Anthony Concil

Director, Corporate Communications IATA

Tel +41-22 770 29 60

Email: [corpcomms@iata.org](mailto:corpcomms@iata.org)



No.: 31

Date: 16 November 2004

## Simplifying the Business - Industry Revolution Kicks Off

(GENEVA) "After three years of firefighting, today we begin re-building the industry with four initiatives to simplify the business that will change the way people travel," said Giovanni Bisignani, Director General and CEO of the International Air Transport Association (IATA). Kicking off the air transport industry's first working conference dedicated to Simplifying the Business, Bisignani said "Using technology effectively, we will strengthen the industry with improved passenger service and reduced costs."

The four core projects at the heart of the initiative are lead by a commitment to 100% electronic ticketing by the end of 2007. Three related projects further simplify the travel process: common use self service kiosks (CUSS) for check-in, bar-coded boarding passes and radio frequency identification for interline baggage management. All were agreed by a resolution at the June 2004 IATA AGM.

In the wake of cumulative industry losses topping US\$30 billion since 2001, cost reduction is a priority. In 2003, airlines reduced non-fuel unit costs by 2.5% and a further 3.0% reduction is expected for 2004.

E-ticketing will save the industry US\$3 billion annually in processing costs. RFID for interline baggage management promises improvements in handling accuracy in the range of 15%. Placed in the context of an industry that handles 1.5 billion bags per year, even with less than 1% of bags being mishandled, significant savings in service recovery costs are easily realised. Each check-in using a CUSS kiosk will save US\$0.50 in processing costs.

"Whether it is saving US\$9 per each e-ticket, or US\$100 for each bag that is not mishandled, each project contributes to industry savings and a better experience for our 1.6 billion annual passengers. This is a win-win proposition," said Bisignani.

Individually, many airlines implemented parts of the simplifying programme. IATA's mission is to spread the benefits industry-wide with interline solutions. "For some, these solutions are already commonplace. But for others it is a complete revolution," said Bisignani. "We must all work together to ensure that the implementation is global and that every carrier is prepared."

Bill Diffenderffer has joined IATA to head the Simplifying the Business initiatives. "Bill has implemented similar industry-wide change in his work at IBM's Travel and Transport division as well as with technology providers for travel distribution. Closing the gap on differing levels of technology and development in the industry is an enormous challenge. But with Bill's leadership, I am confident that solutions will be found," said Bisignani.

"Aviation has never been afraid of new ideas. Our daily business is to do what was long thought impossible—to fly. And now 1.6 billion passengers rely on air transport annually," said Bisignani. "Successful completion of the Simplifying the Business revolution is a must. And it will require a united team of airlines, airports, and suppliers. Today is a great start," said Bisignani.

### Notes for Editors

1. The IATA Simplifying the Business conference is taking place at the IATA Conference Centre in Geneva, Switzerland 16-18 November, 2004. Over 350 representatives of airlines, airports, industry partners and suppliers from around the globe are attending.
2. [Full text of Bisignani's speech.](#)
3. [More information on Simplifying the Business](#)

Anthony Conci  
Director, Corporate Communications

Tel: +41 22 770 29 60

Fax: +41 22 770 26 41

E-Mail: [corpcomms@iata.org](mailto:corpcomms@iata.org)





No.: 17

Date: 30 May 2005

## IATA Takes Giant Steps Forward to Simplify the Business

### US\$6.5 billion in potential savings

**FOR IMMEDIATE RELEASE** 30 May 2005 (Tokyo) "Over the past year we have taken giant steps towards our goal of simplifying the business," said Giovanni Bisignani, Director General and CEO of the International Air Transport Association (IATA) at the association's 61st Annual General Meeting and World Air Transport Summit. "At stake is easier travel for passengers and US\$ 6.5 billion in annual savings for our industry."

IATA launched its industry-wide Simplifying the Business initiative in 2004 to remove complexity, enhance customer convenience and lower industry costs. It includes five cornerstone projects:

- 100% electronic ticketing by end 2007
- Common Use Self Service check-in
- Bar coded boarding passes
- Radio Frequency Identification (RFID) for baggage management
- IATA e-freight – removing paper from the cargo process by end 2010

#### **IATA brings ET solutions to airlines**

"Electronic ticketing levels have jumped to 29% up from 19% last year. Some 107 of our member airlines that account for about 80% of our volumes have e-ticketing capability. And today we've signed agreements with leading technology providers to help those that don't," said Bisignani.

Bisignani made his remarks following IATA's signing of Memoranda of Understanding with Amadeus, China TravelSky, Lufthansa Systems, Sabre and SITA to provide technical expertise and work with IATA to develop a range of quality, affordable e-ticketing solutions to airlines. "The US\$3 billion in industry savings ET brings - is within sight," said Bisignani. "But the timeline is aggressive and there is a lot of work ahead. We need to move fast and have all hands on deck to deliver the goods."

#### **E-ticketing to drive Common Use Self Service check-in**

IATA has also signed agreements with Geneva, San Francisco, Singapore and Toronto airports to implement Common User Interface Self-Service (CUSS) kiosks. By deploying CUSS, airlines can reduce installation and maintenance costs.

"Self service check-in technology will save the industry US\$1 billion annually when we reach 40% market penetration," said Bisignani. "E-ticketing will drive kiosk use. We are readying ourselves by developing standards and a common interface for passengers and pushing this out to key airports. Today's agreements ensure we will meet our target of implementing CUSS at 5 airports by year-end."

#### **Standard set for Bar Coded Boarding Passes**

IATA has developed an agreed global standard for print-at-home, bar-coded boarding passes as well as a replacement for the airline-issued magnetic stripe boarding passes used today. "Our job now is to promote wide-spread use of this technology," said Bisignani. "Passengers will save time at check-in and airlines will save over US\$ 3.50 per check-in. At 20% market penetration, that adds up to US\$0.5 billion in savings."

#### **Building a case for RFID**

The association is also developing an industry standard for Radio Frequency Identification tags and expects to meet its year-end goal of

having 5 RFID trials up and running. "RFID is the wave of the future. With full implementation we will improve baggage service and remove almost US\$760 million in annual cost," said Bisignani

#### **IATA and Industry Action Group set to drive IATA e-freight**

;"Today you can fill 39 747-400 or 81 A-300F4-600R freighters with the amount of paper that accompanies cargo shipments every year," said Bisignani. "Every shipment that is sent has an average of 25 documents at a cost of US\$30. Twenty years ago it took an average of 6.5 days to send an international cargo shipment. Today it takes 6 days, 1 day to fly and 5 days to wait for the paper. When we eliminate paper from the process we will improve efficiency and eliminate US\$1.2 billion in annual cost to the industry."

"We need partnership across the entire value chain to make our industry healthy and profitable again. That includes governments, suppliers, customs organisations, air navigation service providers and airports. Everyone must pitch in to improve efficiency as we evolve into a low cost industry," said Bisignani. "It is encouraging to see we are making some headway in that regard."

- IATA

Notes: Electronic Ticketing:

By signing the MOU, each company is committed to

- Provide airlines with technical expertise to implement ET
- Devote sufficient resources to promote its ET services
- Coordinate with IATA to develop industry solutions and to offer interline services
- Maintain industry standards as much as possible for both communications and general business practices
- Develop and follow best practice for ET deployment

IATA regional teams have met with some 400 airlines worldwide to assess their e-ticketing readiness and provide support. That number includes Member airlines as well as non-member airlines that are part of the IATA Multilateral Interline Traffic Agreement.

IATA e-freight:

An Industry Action Group, comprised of British Airways, Cargolux, Emirates, Fedex, Lufthansa Cargo and Singapore Airlines along with IATA is spearheading the initiative with the intent of rapidly extending the group to include forwarders and customs authorities. The target is to have early adopters on-line by the end of 2007 with full implementation set for the end of 2010.



No.: 39

Date: 05 November 2007

## Paper-Free Air Freight Era Begins - IATA Launches Six E-Freight Pilots

Geneva - The International Air Transport Association (IATA) working with seven key cargo airlines - Air Canada, British Airways, Cathay Pacific, KLM, Martinair, SAS and Singapore Airlines - freight forwarders (DHL Global Forwarding, Panalpina, Kuehne+Nagel, Schenker, TMI Group-Roadair, Jetspeed) and ground handling agents kick-started the move to a paper-free air cargo environment with the launch of six e-freight pilot projects. Starting today, cargo on key trade routes connecting Canada, Hong Kong, the Netherlands, Singapore, Sweden and the U.K will be processed electronically.

"The paper-free era for air freight begins today," said Giovanni Bisignani, Director General & CEO of IATA. "This first wave of pilots will pave the way for a global rollout of e-freight that will eliminate the paper that costs this industry \$1.2 billion every year. Combined, these documents could fill 39 B747 cargo freighters each year making e-freight—a win for the business and for the environment."

"E-freight is a revolution for an industry that is absolutely critical to modern life. For airlines it is a US\$55 billion business that generates 12% of their revenues. More broadly air cargo transports 35% of the total value of goods traded across borders. The potential impact of greater efficiency in air cargo has very broad implications across the global economy," said Bisignani.

E-freight pilots will systematically test for the first time common standards, processes, procedures and systems designed to replace paper documents that typically accompany air freight with electronic information. During the initial phase, selected shipments will travel without a number of key documents that make up the majority of the paperwork, including the house and master air waybills. Results from the pilots will be used to expand e-freight to other territories.

IATA e-freight requires that business, technical and legal frameworks are in place to allow airlines, freight forwarders, customs administrations and governments to seamlessly exchange electronic information and e-documents. The six pilot locations were selected based on their ability to meet these criteria along with offering network connectivity and sufficient cargo volumes.

At each location cargo experts from participating airlines, freight forwarders, ground handling agents, local customs administrations and airport authorities worked together closely over the past 10 months to prepare the pilots.

"High oil prices and cumbersome processing requirements are handicapping air transport's competitiveness with sea shipping," said Bisignani. "Sea shipping is expected to grow at 6% annually over the next five years, compared to 4.8% for air cargo. E-freight makes a four-decade leap, bringing strengthened competitiveness by cutting costs and improving transparency and consistency throughout the supply chain. This good news for the customer will help shore-up air transport's competitiveness with sea shipping and other modes of transport."

E-freight is one of five Simplifying the Business projects being led by IATA to improve service and cut costs. The industry has set a deadline of the end of 2010 for the implementation of e-freight wherever feasible.

For more information on IATA e-freight and other Simplifying the Business projects, please visit [www.iata.org/stbsupportportal](http://www.iata.org/stbsupportportal)

### Editors Notes:

IATA has over 240 members that comprise 94% of international traffic.

Other Simplifying the Business projects include 100% electronic ticketing by end 2007, the use of bar coded boarding passes, common use self service check-in and RFID for baggage management.

One of the key pillars of the IATA e-freight programme is Cargo 2000 – the air cargo industry's quality champion.

### Pilot participants include:

Airlines	Freight Forwarders	Ground Handling Agents
Air Canada	DHL Global Forwarding (DGF)	AAT
British Airways	Panalpina	Aero Groundservices / Aviapartner
Cathay Pacific	Kuehne+Nagel	Air General
KLM	Schenker	CIAS
Martinair	TMI Group-Roadair	HACTL
Singapore Airlines	Jetspeed	Menzies World Cargo
Scandinavian Airlines SAS		Plane Handling
		SATS
		Serviceair

**Organisations actively involved in supporting and steering the pilots locally include:**

Customs and other government administrations	Industry Associations
Canadian Customs (CBSA-ASFC)	Air Cargo Netherlands (ACN)
Civil Aviation Authority Singapore (CAAS)	British International Freight Association (BIFA)
Dutch Customs	Canadian International Freight Forwarders Association (CIFFA)
HM Revenue & Customs, U.K.	Canadian Society of Customs Brokers
Hong-Kong Customs	Hong-Kong Association of Freight Forwarding and Logistics (HAFFA)
Immigration and Checkpoints Authority (ICA), Singapore	Singapore Aircargo Agents
Swedish Customs	
Swedish Enterprise Ministry	
Swedish Transportindustri Forbundet (Flyg)	
Transport Canada	
Singapore Customs	

**Trade lanes on which selected e-freight shipments will be flown include:**

- From Canada to Hong-Kong, the Netherlands, the U.K.
- From Hong-Kong to Canada, the Netherlands, Singapore, Sweden and the U.K.
- From the Netherlands to Canada, Hong-Kong and Singapore
- From Singapore to Hong-Kong, the Netherlands, and the U.K.
- From Sweden to Hong-Kong
- From the U.K. to Canada, Hong-Kong, and Singapore

For more information, please contact:

Anthony Conci

Director, IATA Corporate Communications

Tel +41 22 770 2967

[corpcomms@iata.org](mailto:corpcomms@iata.org)



No.: 6

Date: 22 February 2008

## Countdown to Last Paper Ticket - 100 days until 100% ET

Jakarta - The International Air Transport Association (IATA) today began an important countdown - 100 days to 100% e-ticketing. "In 100 days the paper ticket gets put in a museum. On June 1, 2008 we will achieve 100% electronic ticketing," said Giovanni Bisignani, IATA's Director General and CEO.

IATA began the drive to 100% e-ticketing as part of its Simplifying the Business programme in June 2004 with the dual goals of making travel and shipping more convenient and more cost efficient. The programme began with five projects - Bar Coded Boarding Passes (BCBP), Common Use Kiosks for Self Service (CUSS), RFID for aviation, e-ticketing and e-freight with annual industry savings of US\$6.5 billion. It has since expanded to include the self-service oriented Fast Travel project and an industry Baggage Improvement Programme.

"E-ticketing is the flagship project of Simplifying the Business. While a paper ticket costs US\$10 to process, e-ticketing reduces that cost to US\$1. The industry will save over US\$3 billion each year by offering the passenger a better service. There is no better win-win proposition," said Bisignani.

When the programme began in June 2004, only 18% of tickets issued globally were e-tickets. Today e-ticketing penetration is over 93%. "It is an incredible industry success story. When we began over 28 million paper tickets were issued each month. We have reduced that number to less than 3 million," said Bisignani.

Challenges remain. E-ticketing penetration in Africa is only 83% and has reached 84% in Middle East North Africa (MENA). The real concern is Russia and CIS, which is at 54% due to a late start while the government changed legislation to allow for e-tickets. "Combined, these regions represent 8% of total volume. IATA's 150 experts are working with the airlines in these regions to close the gap quickly. If we can bring the convenience of e-ticketing even to small remote island airports with no electricity, I am confident that with some hard work in the final stretch we will be successful," said Bisignani.

Consumers can anticipate more convenient travel in an electronic world. 100% ET eliminates lost tickets, makes itinerary changes easy and enables a wide array of self-service options.

"We are entering a new age for air travel. The consumer has spoken. They love the convenience of e-ticketing and now want to combine it with self-service options to have more control over their journey," said Bisignani. "We are already seeing the ET effect. Online and kiosk check-in are at all time highs. Even newly introduced mobile phone check-in is rapidly gaining popularity. IATA is pushing Simplifying the Business to the next level with its FastTravel project. FastTravel will bring a wide array of self-service options, in a streamlined process, from reservation to arrival."

Bisignani made his comments in Jakarta, Indonesia where he is meeting local and national aviation officials on a range of issues. With e-ticketing at 95.5%, Indonesia is ahead of the global average and well positioned to meet the 100% deadline by 1 June.

[More information on Electronic Ticketing and Fast Travel](#)

### Editors Notes:

IATA (International Air Transport Association) represents over 240 airlines comprising 94% of international scheduled air traffic.

In 2004 some 69 airlines, comprising 56% of ticketing volumes were ET enabled. As at the end of January 2007 269 airlines comprising 99.7% of ticket volumes were issuing electronic tickets.

In Africa, where infrastructure and investment capacity made electronic ticketing more challenging, 28 airlines now offer ET versus the 2 that were enabled in 2004.

IATA has 150 staff supporting its Simplifying the Business programme.

IATA invested US\$1.3 million in an ET Buddy Programme to provide free consulting to airlines needing assistance in launching their ET projects.

Since June 2004 IATA has held 23 workshops worldwide to support ET implementation.

The IATA Billing and Settlement Plan (BSP) is a system by which IATA, as an independent third party, manages the transfer of money derived from cash sales of airline tickets between travel agents and airlines.

IATA has 80 BSPs covering more than 162 countries and territories that handle some US\$218 billion annually.

For more information, please contact:

Lorne Riley

IATA Corporate Communications

Tel: +41 22 770 2927

E-mail: [rileyl@iata.org](mailto:rileyl@iata.org)

**THIS IS EXHIBIT G  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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## Welcome to the StB e-Newsletter

Issue 22 - September 2007

### This month:

- Electronic ticketing on track!
- BCBP and airports: Enabling infrastructure
- Project News
- Events
- Fact of the month

Google's translation tool can help you read the newsletter in the language of your choice.

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Access past issues of the StB, download the PDF version and more.

### Electronic ticketing on track!

ET increased by 2% in the IATA BSPs in August to reach 86%. This means the industry is likely to exceed 90% before the end of this year and reach the mid 90s% in May 2008.

Given this progress, airlines should be able to manage the transition from this level to full electronic ticketing on 1 June 2008. As such the industry is very much on track to meet the revised deadline set by the June 2007 AGM!

There are also good news about Interline ET. In the last month, airlines have added 205 Interline ET (IET) agreements which now total 1917. A careful analysis reveals that the IET agreements activated in July covered 73% of all interline travel! This progress indicates that by next June the vast majority of interline travel will be ET enabled! However, the industry clearly still needs to work on developing those IET agreements and then using them, since in July only 53% of interline tickets were issued as ET.

Finally, IATA has asked airlines whether any wish to ensure that agents eliminate issuing paper tickets at a date earlier than 1 June 2008. None have been identified so the industry seems set to move together to a full electronic ticketing world on 1 June 2008.

ET-PENETRATION  
**91** %

▶ [CLICK HERE FOR MORE DETAILS!](#)



BCBP-CAPABLE AIRLINES  
**120**

▶ [CLICK HERE FOR MORE DETAILS!](#)

### BCBP and airports: Enabling infrastructure

Working towards the 2010 Board mandate, which calls for 100% BCBP usage, Simplifying the Business has engaged more than 300 airports to find out their capability, equipment and plans regarding BCBP.

The information collected is crucial for airlines planning to implement BCBP as well as for those already BCBP capable wishing to extend the benefits of BCBP to more destinations. Read the **full report** for more information regarding:

- How many airports provide 2D bar code capable shared equipment?
- How many airports accept home printed boarding passes at security checkpoints?

Don't forget to consult the BCBP interactive map for a visual reminder of airports BCBP capability in your region and around the world.

### Project News

#### ET

- In August, global ET penetration reached 86%. Find out the latest update on ET progress. Read the project update.
- Interline ET: Airlines have completed over 1900 Interline ET agreements. Download the list of TOP 50 Carriers by Implemented IET's. Top carrier leads with 105 IET's!

### BCBP - Target reached!

- 80 airlines are BCBP capable! Find out the details in the BCBP project update.
- The project is on track to reach the Board mandate of all airlines to become BCBP capable by end 2008.
- Don't miss the last BCBP workshop in Sydney next 29-30 October, 2007! Find out more.

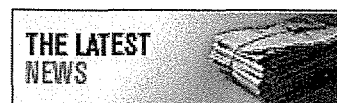
### IATA e-freight

- IATA e-freight is on track to pilot e-freight in 5 locations. Find out more about the pilots here.
- Find out the participant status of the Message Improvement Programme (MIP) here.

### CUSS:

- 80 airports are offering CUSS compliant kiosks worldwide! For all the details please click here.

### Events:



CUSS LIVE AIRPORTS  
91

▶ [CLICK HERE FOR MORE DETAILS](#)

- Don't miss the BCBP workshop to take place in Sydney 29-30 October. For more information visit the event's page on the StB Support Portal. More workshops will come to you next year, with a new format. Stay tuned!
- StB has been actively participating in industry events to spread the benefits of StB projects. Visit our external events page to see where we will be present next!

Contact us to share your comments, questions and ideas!

**The StB Global Team**

## ► FACT OF THE MONTH

On average, the top 50 carriers leading IET implementation, implement 1 Interline ET agreement a week.

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INTERNATIONAL AIR TRANSPORT ASSOCIATION  
800 Place Victoria, P.O. Box 113  
Montreal, Quebec, Canada H4Z 1M1  
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**THIS IS EXHIBIT H  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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# CEO BRIEF June 2007

Our revised forecast puts 2007 industry profits at US\$5.1 billion. This is good news. But we must also be realistic. Airlines are a US\$470 billion industry. Profitability at this level is peanuts. Many challenges remain before airlines reach financial sustainability.

None-the-less, our 63rd Annual General Meeting and World Air Transport Summit was an opportunity to celebrate our successes—and prepare for future challenges. Among the successes are safety and Simplifying the Business. IOSA is on track and a five-month extension to our e-ticketing deadline will ensure that all our members will be on board by the time we meet in Istanbul next year.

Many challenges were on the agenda—security, infrastructure costs and liberalization among them. But finding a strategic industry approach for the environment was clearly the most pressing. I tabled an agenda to rally our industry, stakeholders and suppliers around a long-term vision for zero carbon emissions. Moving from vision to reality requires an effective combination of operations, infrastructure and technology initiatives, possibly economic incentives, and a much stronger communications effort by all of us. Next stop is the ICAO Assembly in September where we will seek government commitment to global standards for a global issue.



*Giovanni Bisignani*

Giovanni Bisignani  
Director General & CEO

## Passenger name record

The U.S. and EU have reached a tentative agreement on the sharing of Passenger Name Record (PNR) data with U.S. authorities.

While the agreement itself has not been made public, we understand that it will allow airlines to push data to government authorities without fear of legal challenge by data privacy authorities.

We will continue to work with both authorities to ensure that member airlines are protected as the agreement proceeds to final approval (expected the week of July 2).

## Chinese infrastructure

After a series of high-level negotiations with the Chinese authorities, two major infrastructure improvements will be implemented this year:

- Effective 4 July, the choice of entry/exit points and their connecting routes for the cross-polar operations to/from North America will increase from a choice of three options (SIMLI, ARGUK, POLHO) to five with the addition of MORIT and SADLI.
- The implementation of Reduced Vertical Separation Minima (RVSM) is scheduled for 21 November 2007. RVSM will provide six additional cruise flight levels that will not only increase airspace capacity, but also will reduce ground delays and allow flights to operate at more efficient altitudes.

Both infrastructure improvements were announced on 1 June and are a big step forward in reducing flight time, fuel consumption and CO<sub>2</sub>.

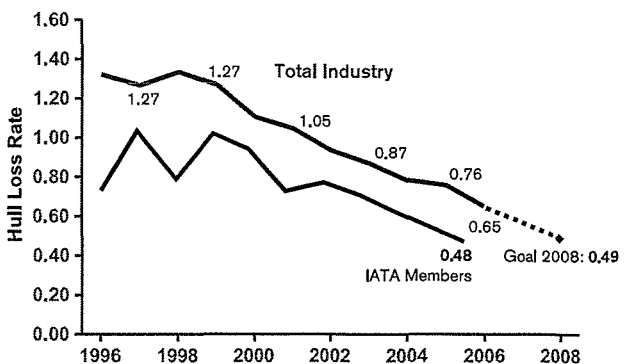
## 185th Board of Governors - 3 June 2007

The Board of Governors met in Vancouver and reported on 4 June to the AGM on a number of key issues.

### Safety

2006 was safest year on record. IATA members continue to outperform the industry as a whole.

- As of April 2007, over 150 airlines were on the IOSA Registry, and 250 audits are planned for 2007.
- IATA is developing a new Safety Audit for Ground Operations – ISAGO. The first audits will start early 2008.



## Environment

With noise reduced by 75% and fuel efficiency increased by 70% in less than four decades, the industry has a good track record.

- Airlines were urged to join the industry campaign to improve environmental communication.
- The Board approved a new target of increasing the industry's fuel efficiency by a minimum of 25% by 2020.
- Additionally, IATA new "Green Teams" will be established to help member airlines adopt best environmental practices in operating areas

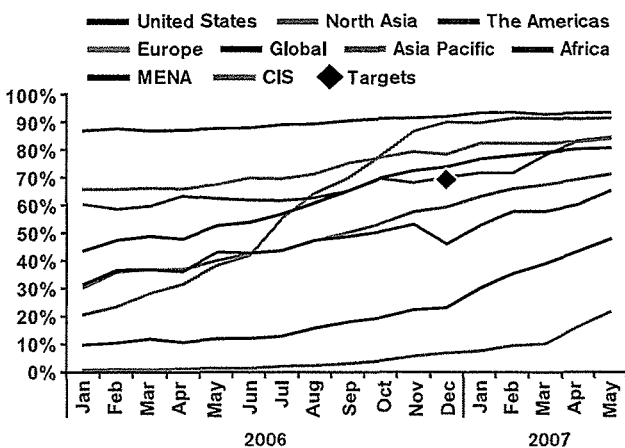
## E-Ticketing

As members have been informed, the AGM adopted a Board resolution to extend the deadline from 31 December 2007 to 31 May 2008. Several elements came into play:

- A survey of 279 airlines representing 98% of BSP volume pointing to 96.6% ET by end 2007. IATA's assessment: 92%.
- External factors such as: legal restrictions on ET only recently removed in Russia; ground handling organizations late in adapting their systems; system providers not providing timely attention to some carriers.
- The interlining challenge:
  - Out of 8,000 active interline agreements, airlines will migrate to ET only 2,300, covering 80% of interline traffic.
  - 1,100 agreements have been e-enabled.
  - IATA believes that only 2,100 will be converted by Dec. 2007.
  - The Board agreed it was important for all airlines to communicate their future interlining plans to all their partners.

IATA management was asked to continue to assist all airlines. For those which still want to eliminate paper by end of 2007, IATA will be meeting in early July with GDSs to establish how this can be done.

### ET Penetration in BSPs by Region - 81% in May 2007



## Other Board decisions

**IATA Clearing House:** The Board approved a number of minor amendments to the regulations aimed at further enhancing operational control in the event of potential default.

**Membership Dues:** The Board agreed that the dues assessment be reduced 11% from US\$15.75 million to US\$14 million.

**Governance:** Fernando Pinto of TAP was elected Chairman of the Board of Governors for 2007-2008 and Wolfgang Mayrhuber of Lufthansa SPC Chairman. Fernando Conte of Iberia remains Chairman for the Audit Committee.

## Looking at the numbers

### New financial forecast

We have revised up our forecast for industry net profits this year from \$3.8 billion to \$5.1 billion. The improvement is encouraging but, at only just over 1% of forecast revenues of \$473 billion, is far from adequate.

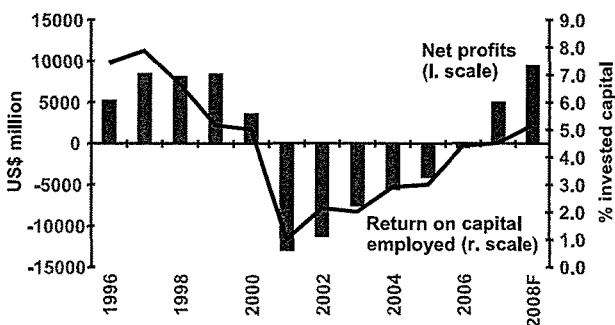
The strength of revenues has been a key element to the improvement in profitability.

- The decoupling of Asian and European economic growth from the US slowdown means that we no longer expect passenger volumes to slow in 2007, with the total rising 5.3% to 2.2 billion.
- Moreover, passenger yields are showing more resilience than expected.

Profits have improved but returns on invested capital of 4-5% remain below the levels reached at the peak of the last cycle in 1997, and well below the industry's 7-8% cost of capital.

Balance sheets remain weaker than during the last cycle and additional efficiency achievements will be critical to improve financial performance over the next couple of years.

Airline industry profitability



## Fuel

Fuel costs have risen once more to \$70 a barrel and we have revised up our oil price forecast from \$61 to \$63 a barrel this year.

However, the impact of this on fuel bills is partially offset by strong improvements in fuel efficiency.

- In the past three years annual improvements in fuel efficiency accelerated to an average of 2.5%, saving around \$2 billion a year.
- Nonetheless the industry's fuel bill is expected to rise to \$119 billion this year, keeping it at 26% of operating expenses.

## Input "squeeze"

The extended economic boom has created shortages of key inputs, such as skilled labour and fuel efficient aircraft. In 2001-2005 substantial cuts were achieved in non-fuel costs.

- Crew unit costs were cut 30% by US network airlines and 20% in Europe.
- Maintenance and distribution unit costs were cut by 30% in both regions.

Efficiency gains continued last year but shortages are now raising costs and causing non-fuel unit costs to increase. A redoubling of efforts to improve efficiency will be necessary to overcome rising input prices and sustain the downward trend in non-fuel unit cost.

**THIS IS EXHIBIT I  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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May 24, 2006

Dear Agent,

In January 2008, IATA will stop distributing paper tickets. Airlines, agencies, airports and other industry partners must be prepared for this reality. Already in March 2006, 49% of all travel agent tickets were issued as electronic tickets (ET)! This is revolutionary considering that 15 months earlier, only 24% of tickets were issued as ET.

Moving to 100% ET is part of an ambitious, industry-wide Simplifying the Business programme involving five key initiatives that are designed to deliver convenience to passengers and significant cost savings for those involved in the distribution chain. These are: 100% electronic ticketing, Common Use Self Service check-in, Bar coded boarding passes, Radio Frequency Identification for baggage management (RFID), and IATA e-freight.

Simplifying the Business is essential for our industry. Our vision is for a low cost industry that delivers high levels of passenger convenience. Of the five initiatives, electronic ticketing (ET) is the most critical and has a fast-approaching deadline. The travel agent community has a valuable role to play in the success of this programme as it assists millions of customers with their travel plans every day.

Electronic ticketing (ET) is being enthusiastically embraced across the world with 142 airlines issuing ET. Why is it taking off so well? Just think of the benefits that ET brings you and your clients:

Savings:

- No more paper stock to manage or printers to maintain
- No more courier or mailing fees for sending tickets
- No more airline fees for using paper tickets

Better customer service:

- Service more customers over a wider area
- Easier handling of last minute travel plans
- No more lost tickets

Simpler business processes:

- Automatic tracking of unused tickets
- Eliminates the need for physical documents
- No more safes

ET is an excellent way for you to better serve your clients and bring much-needed cost savings to your business. Don't be the last to make the change! We encourage you to support the transition to 100% ET and actively promote the advantages of electronic ticketing to your staff and clients. As a start, we suggest you issue ET as your default ticket over paper.

Finally, we invite you and your staff to visit our information portal at <http://www.iata.org/stbsupportportal/travelagent.htm> where you will find answers to key questions as well as a downloadable screensaver, designed to serve as a visual reminder of the importance and beneficial nature of the move to 100% ET.

On behalf of our team, I thank you in advance for your support.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Bruyère".

Philippe Bruyère  
Programme Director - Simplifying the Business  
IATA





**MEMORANDUM**  
**BSPCAN/A/679**

**TO:** All IATA Accredited Agency Locations in Canada/Bermuda

**CC:** All BSP Canada/Bermuda Participating Carriers  
All Global Distribution Systems (GDS)

**FROM:** IATA – BSP Canada/Bermuda

**DATE:** May 15, 2007

**SUBJECT:** Progress Report on ET Readiness

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Dear Agent,

This is a reminder to all BSP Canada/Bermuda agents that there are only 7 months remaining until paper OPTAT tickets are eliminated from BSPs worldwide.

We would like to impress upon our Agents the urgency of the situation.

In order to understand why or what is preventing airlines from achieving 100% ET, IATA has introduced a new report to assist our agents and member airlines in reaching the 100% ET objective by year-end.

The report, < Paperticketstats.pdf > which will be available for download from the BSPlink Files Download screen, identifies transactions issued as paper tickets that could have been issued as ETs and provides specific details for each transaction.

It is imperative that all agents make use of this report to monitor and communicate to the airlines in question any obstacles that are preventing them from issuing an ET transaction that appears on the report in an effort to increase ET penetration.

**We thank you for circulating this information to all personnel in your agency who issue tickets and are responsible for general management.**

Please address any questions you may have by email to [bspcanada@iata.org](mailto:bspcanada@iata.org)

Sincerely,

Agostino Forte  
Country Manager  
Canada/Bermuda





**MEMORANDUM**  
**BSPCAN/A/685**

**TO:** All IATA Accredited Agency Locations in Canada/Bermuda  
**CC:** All BSP Canada/Bermuda Participating Airlines  
**FROM:** IATA – BSP Canada  
**DATE:** March 11, 2008  
**SUBJECT: 100% ET Effective 1 June 2008**

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Dear Agent,

The final countdown to the May 31, 2008 deadline for elimination of paper OPTAT tickets has begun and IATA is working closely with all airline and GDS partners to achieve the 100% ET target.

Shortly we will begin to communicate directly with agents who have not issued any paper tickets over a set period of time as well as agents who have reached a milestone of 98% ET.

Over the next few weeks and as we get closer to the deadline we will communicate BSP Canada/Bermuda's instructions and procedures for the recall and destruction of paper OPTAT ticket stock.

At this time we invite agents who wish to voluntarily relinquish their paper OPTAT ticket stock to return these tickets to the following IATA BSP Canada address in Montreal:

IATA- BSP Canada  
800 Place Victoria,  
P.O. Box 113,  
Montreal, Quebec, Canada  
H4Z 1M1

Sincerely,

Agostino Forte  
Country Manager  
Canada/Bermuda



COMMUNIQUE NO. 03/08

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Cher Agent,

le 13 mars 2008

Comme déjà communiqué dans le Mémoire 685, BSP Canada/Bermudes a commencé le compte à rebours pour l'élimination des billets papier OPTAT.

En vigueur immédiatement, le réapprovisionnement automatique de stock de billets est suspendue.

Nous vous demandons de surveiller votre stock de billet disponible, et si nécessaire, veuillez, s'il vous plait, commander les stocks par courriel à: [ticketstockorders@iata.org](mailto:ticketstockorders@iata.org)

Merci de votre collaboration.

BSP Canada



**COMMUNIQUE NO. 03/08**

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Dear Agent,

March 13, 2008

As previously announced in Memorandum 685, BSP Canada/Bermuda has begun the countdown towards the elimination of OPTAT paper tickets.

Effective immediately, auto replenishment of ticket stock is suspended. We request that you keep track of your ticket stock on hand, and when required, please send your ticket stock order via e-mail to: [ticketstockorders@iata.org](mailto:ticketstockorders@iata.org)

Thank you for your cooperation.

BSP Canada



Geneva, 15 April 2008

## **Electronic Ticketing (ET) Deadline and Recovery of Paper Tickets from 1 June**

Dear IATA Agent,

I wrote to you in mid December 2007 about the deadline for 100% ET and what this means to you as a BSP user. I am now writing to update you on progress with the introduction of ET and to advise you of what we will be doing together to ensure the safe, efficient recovery and destruction of the remaining ticket stock that you will be holding in your office.

First of all I can confirm that the ET deadline remains fixed at 31 May 2008. After this date you are not allowed to issue IATA paper tickets. In my letter of December 2007, I explained a number of very important issues with respect to this deadline, including the following:

- ✈ Specific actions required by you as an IATA agent
- ✈ Use of the V-MPD and EMD
- ✈ Consequences if a neutral paper ticket is issued on/after 1 June 2008
- ✈ Impact of elimination of neutral paper tickets on 3<sup>rd</sup> parties in the BSP
- ✈ ET eligible itineraries on/after 1 June 2008

A copy of my letter "*important information regarding the removal of paper tickets*" can be found under the heading "*what's new?*" at: [www.iata.org/stbsupportportal/travelagent](http://www.iata.org/stbsupportportal/travelagent) and I would urge you to re-read the letter and familiarize yourself with the content.

We recognize that some passengers may still ask you for a paper ticket after the deadline and to help you explain to the passenger the IATA decision to eliminate paper tickets, we have produced a new flyer called "*Electronic Ticketing For Passengers*" which you can show or give to passengers. This flyer can be found at the above mentioned website, under the heading "*what's new?*" along with a document called "*travel agent frequently asked questions*", which you may find useful.

By now you should have received instructions directly from individual airlines as to the procedures they would like you to follow in order to deal with passenger travel that cannot be issued by you using electronic tickets. If not, please contact the airlines directly as soon as possible, to avoid inconvenience to your customers.

If you have any further questions in this regard, please do not hesitate to contact your local or regional IATA office or e-mail our head office at [bspsupport@iata.org](mailto:bspsupport@iata.org)

### **Recovery of your paper tickets**

The second reason for writing to you is to explain what we need to do together to ensure we successfully recover the remaining paper ticket stock in your offices. As you know, paper tickets are valuable documents and you are responsible for their safe custody and care whilst in your possession.

The first action you need to take to ensure the ticket stock is safe and cannot be accidentally issued, is to remove the tickets from your ticket imprinter machines no later than close of business on 31 May.

The second action you need to take is to prepare to return your remaining stock of paper tickets to IATA. In order to minimise the costs and risks to both of us in managing this stock recovery process, we have retained the services of a global logistics company called SAFLOG. They will physically visit your office in the first two weeks of June, during normal business hours, to take possession of the stock. To make this operation successful we are implementing the following procedures:

1. SAFLOG will send you a message on *BSPlink*, with an hyperlink to their system where you will be asked to confirm the address from where they can pick up the tickets as well as contact name, phone number, e-mail address and opening hours. Please check *BSPlink* for this message from SAFLOG. Please ensure you provide this information within 48 hours of receipt of the message.
2. SAFLOG will then respond to you on 15 May with instructions regarding the preparation you need to do to facilitate a quick pick-up of your paper tickets. These instructions will include:
  - Process for counting tickets (inventory of tickets by ticket number range)
  - Packaging
  - Labelling
  - Editing/signing the packing list
  - Formal receipt procedures
  - Schedule for pick up
3. On 31 May you must record in the SAFLOG system your final count of tickets. SAFLOG will then respond confirming receipt of the information and scheduling a time to pick up your ticket stock during the period 1 – 15 June. Please verify that the company making the pickup is the one confirmed by SAFLOG and ensure you get a receipt for the tickets.
4. After the tickets have been collected, the ticket ranges will be immediately audited against our records and your packing list details and any differences may lead to blacklisting or other action.
5. Please ensure you keep this agreed appointment, as failure will require a subsequent visit that will be charged to you.
6. If you encounter any problems during this exercise that cannot be resolved by SAFLOG, please contact your local BSP office.

It is in both our interests to ensure full cooperation with SAFLOG in this stock recovery process as any tickets that are used improperly after the 31 May deadline could result in financial losses for the airlines and your company.

I appreciate that these instructions are lengthy. If you require any clarification you should contact your local IATA office.

I thank you in advance for your cooperation.

Yours Sincerely,

Tom Murphy

IATA Agency Administrator



COMMUNIQUE NO. 05/08

MESSAGE IMPORTANT concernant SAFLOG

Merci de votre collaboration

BSP Canada



**COMMUNIQUE NO. 05/08**

**REMINDER – Please verify BSPlink for SAFLOG message**

Dear Agent

25 April, 2008

**\*\*Please review SAFLOG message in BSPlink\*\***

As previously announced, SAFLOG has been mandated on a global basis to retrieve paper tickets.

SAFLOG has sent a message directly to your Agency through BSPlink where you will be asked to complete information on the hyperlink provided. Your agency will be asked to confirm the address where SAFLOG can pick-up paper tickets as well as contact name, phone number, e-mail address and opening hours.

Please ensure you provide information back to SAFLOG within 48 hours of receipt of the message.

Thank you for your cooperation

BSP CANADA





Geneva, 28 April 2008

### Recovery of Paper Tickets by SAFLOG

Dear IATA Agent,

I refer to my letter of 15 April 2008, concerning the move to full electronic ticketing and the recovery of IATA paper tickets from your possession after 31 May.

Firstly, I am pleased to report that the majority of IATA Agents have followed our request and registered with SAFLOG, the global logistics company we are using to recover the paper tickets. However, a number of IATA Agents have yet to respond and the purpose of this follow-up letter is to remind you that you must provide this information immediately. As I am sure you can appreciate, the safe recovery of our ticket stock is a major exercise involving the support and cooperation of over 53,000 IATA Agent locations worldwide.

It would appear that some of you have not been able to provide the information to SAFLOG because of system problems or a failure to understand IATA's instructions. I have therefore asked our Regional or Country Offices to contact you immediately to help you understand what has to be done.

As advised in my letter of 15 April, once we have the necessary information, SAFLOG will contact you with instructions on how to prepare the ticket stock for pick up. On 31 May you will need to record in the SAFLOG system your final count of tickets. Once SAFLOG has this information they will write to you confirming the date they will visit you to pick up the stock.

I am confident that we will receive your full cooperation in this stock recovery process. I do however need to remind you that any misuse of the ticket stock could result in financial losses for the airlines and your company. I also need to remind you that your ticket stock is the property of IATA and is placed in your care under the terms of the Passenger Sales Agency Agreement, which you have signed with IATA. Any failure on your part to cooperate with IATA in the recovery of our ticket stock could lead to sanctions against you and could ultimately lead to your losing your ability to participate in the IATA BSP.

Finally, a number of you have approached us seeking guidance on what you should do on 1 June if you are unable to generate an electronic ticket for a passenger. Unfortunately IATA is not able to provide this guidance as each airline's policies vary considerably. We have reminded the airlines of the need to provide you with their individual policies and if you have not heard from them by now we would urge you to contact them directly.

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

Yours Sincerely,

Tom Murphy

IATA Agency Administrator



## Frequently Asked Questions

### Transition to 100% ET Webcasts

21-23 April, 2008

Click on a topic to skip directly to it:

[V-MPD and other ticketing alternatives](#)

[Interline ET](#)

[Exchange/Reissue](#)

[Paper Tickets after 1 June](#)

[Miscellaneous](#)

### 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?**

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?**

- 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 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.



## 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 re-issue 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.



#### 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](mailto: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?**



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



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



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.



# Electronic Ticketing Sprint to the Finish Line “The last few days”



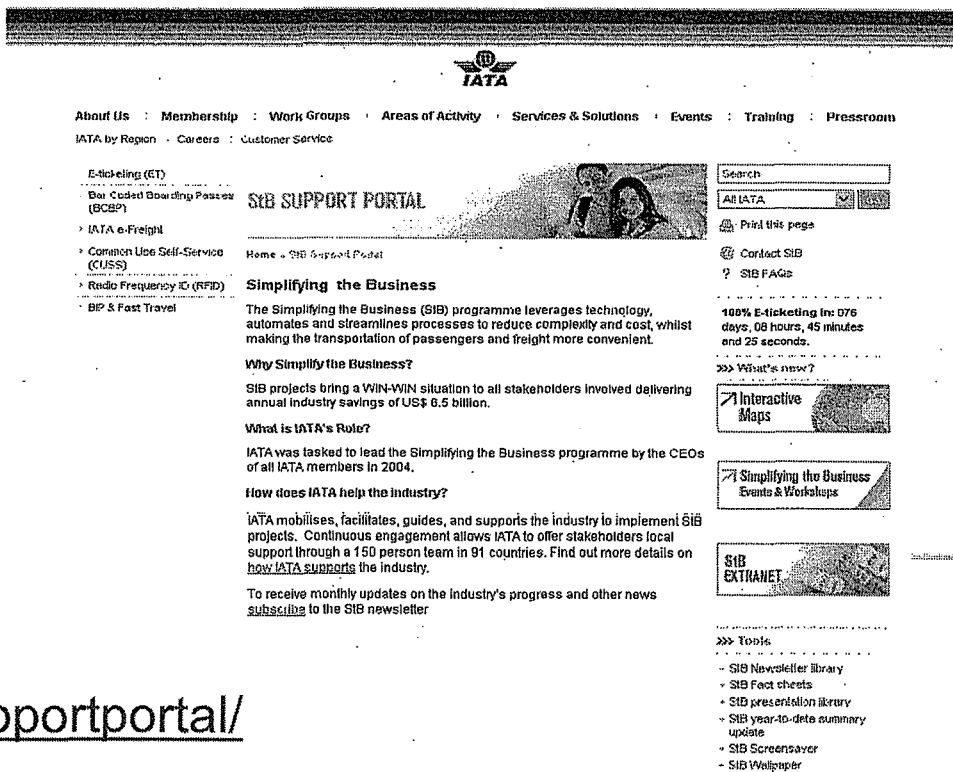
## June 1st Deadline WILL NOT BE EXTENDED

- Simply put.....
  - There will be **no more paper tickets** in **IATA Travel Agencies** on **1 June 2008**.
  - There will still be situations where the travel agent cannot issue an ET and will need to find an **alternative solution** to service the customer.
  - **Airlines** need to be talking to their agents and GDSs
  - **Agents** need to be talking to the airlines and their GDSs



# Communication on what June 1<sup>st</sup> deadline means

➤ Airline and Travel Agent letters sent in December – copy available on the IATA Website



The screenshot shows the IATA SIB Support Portal website. At the top, there is a navigation menu with links: About Us, Membership, Work Groups, Areas of Activity, Services & Solutions, Events, Training, and Pressroom. Below this, there are sub-links for IATA by Region, Careers, and Customer Service. The main content area is titled "SIB SUPPORT PORTAL" and features a section for "Simplifying the Business". This section includes a sub-heading "Why Simplify the Business?" and a paragraph stating that SIB projects bring a WIN-WIN situation to all stakeholders involved, delivering annual industry savings of US\$ 6.5 billion. It also mentions that IATA was tasked to lead the Simplifying the Business programme by the CEOs of all IATA members in 2004. A "Subscribe" link is provided for the SIB newsletter. On the right side of the page, there is a search bar, a "Print this page" button, and a "Table of Contents" section listing various resources like the SIB Newsletter Library, SIB Fact sheets, SIB presentation library, SIB year-to-date summary update, SIB Screensaver, and SIB Wallpaper.

<http://www.iata.org/stbsupportportal/>



## **Specific actions required on the part of BSP participating airlines**

- 7 Analyze each BSP where airline participates and where paper tickets are issued today
- 7 Determine what booking situations will not be able to be ticketed using an e-ticket on June 1st
- 7 Determine what options are available in each BSP for those situations where the travel agent cannot issue an ET and will need to find an alternative solution to service the customer.
- 7 Determine what part of this business the airline desires to maintain by issuing the ticket themselves and what part they choose to let go
- 7 Determine what processes and procedures may need to change





## Alternatives for Travel Agents on June 1st

- Issue PTA using paper or Virtual Multi-Purpose Document (V-MPD) for airline to issue the ticket
  - Automated MCO (MD50)
    - OPATB2 format documents will no longer be available in any IATA Travel Agencies – plain card or paperless solution is possible through GDSs (SABRE, Amadeus, Travelport)
  - Paper MPD
    - Manual MPDs may be used where they are currently deployed
  - V-MPD is being rolled out in all BSPs
  - !!! Paper MPD and vMPD require manual process from Travel Agent and airline
- Issue a paper ticket on airline stock (If airline has opted to place their own paper stock in the travel agency, but airline is responsible for distribution, audit, and settlement)
- Find alternative airline(s) to e-ticket this booking



## Status of Neutral Ticket Stock – Global Stock Recovery

- IATA will retrieve all stock in a reverse logistics exercise by our distributor
- Discrepancies will be blacklisted
- Stock will be delivered to warehouse, checked and then destroyed



## **Consequences if an agent issues a neutral paper ticket on/after 1 June 2008**

- Many GDSs (SABRE, Amadeus, Travelport) have confirmed that they will restrict issuance of paper tickets
  
- Sales will not be recorded



## Some airlines are anxious for 100% ET

1 May 2008	➤ No issuance of paper tickets by XX ticketing offices and appointed agents, where XX is the validating carrier
1 June 2008	➤ No acceptance of paper tickets issued by interline partners

- Airlines can direct Travel Agents to issue only ETs with them as a Validating Carrier, Marketing Carrier, or Operating Carrier – they risk the loss of these sales
- However, Airlines cannot refuse to accept paper coupons from a partner unless they have canceled their MITA.



## Some airlines are anxious for 100% ET

- The following message was received by an IATA colleague when attempting to make an interline booking on Expedia:

### Your selected flights cannot be booked

We're sorry, but your booking requires paper tickets and an airline in your itinerary no longer accepts them.

#### **What happened?**

Although e-tickets are issued for the majority of flight bookings, certain types of itineraries still require paper tickets. These include flights on two or more airlines that do not have e-ticketing agreements with each other. One of the airlines in your itinerary no longer accepts paper tickets and cannot accommodate itineraries that require them.

#### **What should I do next?**

Simply return to your search results and select flights on a different carrier.



## **MITA – what are the rules about acceptance of paper**

- **MITA is an all or nothing deal!**
- However, carriers are sending messages prohibiting the acceptance of paper
- Airlines cannot prohibit partner's issuance of paper tickets!
- Carriers can enter into a bilateral concurrence
- You run the risk of denying carriage
- Carriers are sending messages requesting confirmation they will continue to accept paper



## What travel agents worry about

- ↗ Still issuing a lot of paper
- ↗ Airlines not communicating their plans
- ↗ Still issues concerning
  - ↗ Infants
  - ↗ Ground Handling
  - ↗ Itineraries with more than 16 segments
  - ↗ Passives – Consolidator bookings
  - ↗ Interline or lack of
  - ↗ Loss of OPATB2 MD50 auto MCO



For other questions, please contact

[eticket@iata.org](mailto:eticket@iata.org)





# For more information, go to the StB Support Portal

To launch the portal, go to:

<http://www.iata.org/stbsupportportal/>


The screenshot shows the IATA website's navigation menu and a sidebar with links to various services like E-ticketing, Boarding Passes, and Freight. The main content area features a banner for the 'SIB SUPPORT PORTAL' with a photo of two people. Below the banner, the text describes the 'Simplifying the Business' program, highlighting its goal to reduce complexity and cost through technology. It mentions that the program was led by IATA CEOs in 2004 and provides details on how IATA supports the industry through a 150-person team in 91 countries. A search bar and several utility links like 'Print this page' and 'Contact SIB' are also visible.

**THIS IS EXHIBIT J  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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**ET Results** - Locally we have achieved **89% Penetration** - The 100% ET deadline is May 31st, 2008. This date stands firm and will not be moved or delayed.

**May 31st, 2008 - Is your airline ready for 100% ET?**

<http://www.iata.org/stbsupportportal>







**ET Results** - Locally we have achieved **89% Penetration** - The 100% ET deadline is May 31st, 2008. This date stands firm and will not be moved or delayed.

**May 31st, 2008 - Is your airline ready for 100% ET?**

<http://www.iata.org/stbsupportportal>



**THIS IS EXHIBIT K  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

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## Privacy Policy

Privacy of personal information is an important principle to the Canadian Standard Travel Agent Registry (CSTAR). We are committed to collecting, using and disclosing personal information responsibly and only to the extent necessary for the travel agency member services we provide. We also try to be open and transparent as to how we handle personal information.

### What is personal information?

Personal information is information about an identifiable individual. Personal information includes information that relates to their personal characteristics (e.g., gender, age, income, home address or phone number, ethnic background, family status), their health (e.g., health history, health conditions, health services received by them) or their activities and views (e.g., religion, politics, opinions expressed by an individual, an opinion or evaluation of an individual). Personal information is to be contrasted with business information (e.g., an individual's business address and telephone number), which is not protected by privacy legislation.

### Who we are?

CSTAR is the largest non-profit trade association in Canada consisting exclusively of travel agencies. Together with its alliance partner APAV in Québec, CSTAR is the sole travel agent-only association which speaks on behalf of more than 5,000 travel agencies in Canada. In addition to advocating fair and equitable treatment of travel consumers, CSTAR and APAV represent the commercial and strategic interests of their member travel agencies in a variety of national and provincial domains including regulatory and legislative matters, automation, technology, sales and marketing, and distribution.

CSTAR is also a joint owner of the GENESIS Travel Distribution System, a comprehensive alternative to the legacy CRS, IATA, BSP, and ARC environment. GENESIS centers around a travel agency initiated, point-of-sale system incorporating reservations, ticketing, and supplier settlement. Along with CSTAR, the GENESIS platform is being implemented and jointly owned by USTAR, ESTAR, ASTAR, ISTAR, and MEXSTAR.

CSTAR fully supports and complies with the privacy principles enshrined in the Government of Canada's *Personal Information Protection and Electronic Documents Act* (PIPEDA).

### We collect personal information for the following purposes:

CSTAR collects personal information to facilitate the provision of trade association and commercial services to our member travel agencies, as well as non-member agencies which choose to avail themselves of CSTAR's services and programs. Personal information is often collected due to some travel agencies being sole proprietorships or where individual travel agent personnel choose to avail themselves of CSTAR services and programs. CSTAR also uses the personal information it collects to comply with legal and financial requirements imposed by various authorities on CSTAR's operations.

Examples of the information we collect or store for these purposes include the following: name, address, telephone, fax, e-mail address, IATA number, pre-authorized payment information, credit

card information, web site cookies, and similar personal information necessary to properly identify our members and non-members and their respective entitlement to the services we provide.

Protecting personal information:

CSTAR understands the importance of protecting personal information. For that reason, we have taken the following steps:

- Paper information is either under supervision or secured in a locked or restricted area.
- Electronic hardware is either under supervision or secured in a locked or restricted area at all times. In addition, passwords are used on computers.
- Paper information is transmitted through sealed, addressed envelopes or boxes by reputable companies.
- Staff are trained to collect, use and disclose personal information only as necessary to fulfill their duties and in accordance with our privacy policy.
- External consultants and agencies with access to personal information must enter into privacy agreements with us or acknowledge that they abide by PIPEDA.

Retention and destruction of personal information:

CSTAR needs to retain personal information for some time to ensure that we can answer any questions you might have about the services provided and for our own accountability to external regulatory bodies. However, we do not want to keep personal information too long in order to protect your privacy. We keep our transaction files and data during the entire period of a member's or subscriber's relationship with CSTAR and retain this information for about 2 years thereafter. We destroy paper files containing personal information by shredding. We destroy electronic information by deleting it and, when the hardware is discarded, we ensure that the hard drive is physically destroyed.

You can look at your information:

With only a few exceptions, you have the right to see what personal information we hold about you. Often all you have to do is ask. We can help you identify what records we might have about you. We will also try to help you understand any information you do not understand (e.g., various legal forms, technical language, etc.).

We will need to confirm your identity, if we do not know you, before providing you with this access. We reserve the right to charge a nominal fee for such requests. If there is a problem, we may ask you to put your request in writing. If we cannot give you access, we will tell you within 30 days if at all possible and tell you the reason, as best we can, as to why we cannot give you access. If you believe there is a mistake in the information, you have the right to ask for it to be corrected. This applies to factual information and not to any professional opinions we may have formed. We may ask you to provide documentation that our files are wrong. Where we agree that we made a mistake, we will make the correction and notify anyone to whom we sent this information. If we do not agree that we have made a mistake, we will still agree to include in our file a brief statement from you on the point and we will forward that statement to anyone else who received the earlier information.

Do you have a concern?

Our Privacy Policy Manager, Bruce Bishins, can be reached at CSTAR, 8 Wellesley Street East, Suite 1102, Toronto, Ontario M4Y 3B2 or by contacting CSTAR on the CSTAR web site ([www.cstar.ca](http://www.cstar.ca)) to address any questions or concerns you might have. If you wish to make a formal complaint about our privacy practices, you may make it in writing to our Privacy Policy Manager. He

will acknowledge receipt of your complaint, ensure that it is investigated promptly and that you are provided with a formal decision and reasons in writing.

For more general inquiries, the Information and Privacy Commissioner of Canada oversees the administration of the privacy legislation in the private sector. The Commissioner also acts as a kind of ombudsman for privacy disputes. The Information and Privacy Commissioner can be reached at: 112 Kent Street, Ottawa, Ontario K1A 1H3 as well as by:

Phone: (613) 995-8210  
Toll-free: 1-800-282-1376  
Fax: (613) 947-6850  
TTY: (613) 992-9190  
E-mail: [info@privcom.gc.ca](mailto:info@privcom.gc.ca)

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**THIS IS EXHIBIT L  
TO THE AFFIDAVIT OF MICHAEL FELDMAN**

**DATED AT GENEVA, SWITZERLAND**

**THIS 30<sup>TH</sup> DAY OF MAY, 2008**

---

DUPLICATE

NUMBER: S-38464

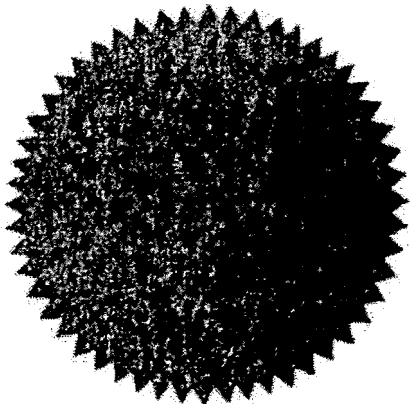


# CERTIFICATE OF RESTORATION

*SOCIETY ACT*

*I Hereby Certify that CANADIAN STANDARD TRAVEL AGENT REGISTRY, which was incorporated on June 15, 1998 under certificate number S-38464, and was struck from the register and dissolved on September 12, 2003, has this day been restored to the register in accordance with an order under section 71 of the *Society Act*.*

*Issued under my hand at Victoria, British Columbia,  
on May 11, 2004*



A handwritten signature in black ink, which reads "J. Powell". The signature is fluid and cursive.

JOHN S. POWELL  
*Registrar of Companies*  
PROVINCE OF BRITISH COLUMBIA  
CANADA



**FILED**  
MAY 11 2004 MLT  
REGISTRAR OF COMPANIES

File No. L 033094  
Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE COMPANY ACT OF BRITISH COLUMBIA  
R.S.B.C 1996, CHAPTER 62, AND AMENDMENTS THERETO

AND IN THE MATTER OF THE RESTORATION OF  
CANADIAN STANDARD TRAVEL AGENT REGISTRY



**ORDER**

BEFORE A MASTER OF THE COURT ) Wednesday, the 31<sup>st</sup> day of  
) December 2003.

THE APPLICATION OF CANADIAN STANDARD TRAVEL AGENT REGISTRY,  
and on reading the material filed;

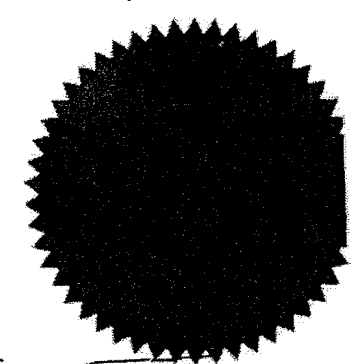
THIS COURT ORDERS that CANADIAN STANDARD TRAVEL AGENT  
REGISTRY is restored to the Register of Companies commencing on the date of the  
filing of a certified copy of this order with the Registrar of Companies and that the said  
company shall be deemed to have continued in existence as if its name had never been  
struck off, without prejudice to the rights of any parties which may have been acquired  
before the date on which the company is restored to the register.

BY THE COURT

Certified a true copy according to  
the records of the Supreme Court  
at Vancouver, B.C.

This 7 day of JAN 2004  
David Leggett  
Authorized Signing Officer

BER  
Deputy District Registrar



**ENTERED**

DEC 31 2003

VANCOUVER REGISTRY



**DUPLICATE**

**NUMBER: S-38464**

***SOCIETY ACT***

# **CERTIFICATE OF INCORPORATION**

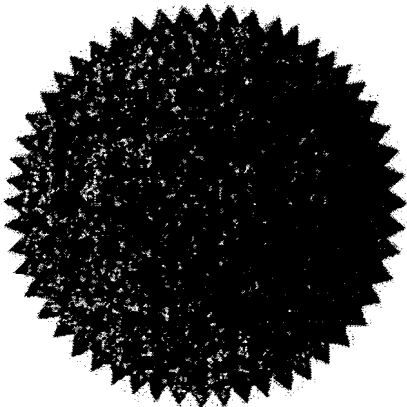
*I Hereby Certify that*

**CANADIAN STANDARD TRAVEL AGENT REGISTRY**

has this day been incorporated under the *Society Act*

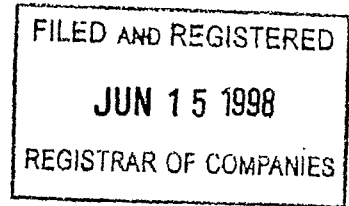
*Issued under my hand at Victoria, British Columbia*

*on June 15, 1998*



**JOHN S. POWELL**  
*Registrar of Companies*  
**PROVINCE OF BRITISH COLUMBIA**  
**CANADA**

**FORM 3**  
**SOCIETY ACT**  
**CONSTITUTION**



1. The name of the society is CANADIAN STANDARD TRAVEL AGENT REGISTRY (the "Society").
2. The purposes of the Society are:

the development, establishment, operation and marketing of a centralized reservation, ticketing, settlement, and accreditation system for use in the retail travel industry and such other purposes not inconsistent with these purposes.

**BYLAWS**

Here set out, in numbered clauses, the bylaws providing for the matters referred to in section 6(1) of the Society Act and other bylaws.

1. **INTERPRETATION**

1.1 In these Bylaws, unless the context otherwise requires:

- (a) "Board" means the board of directors of the Society;
- (b) "business day" means a day other than a Saturday, Sunday or statutory holiday in the Province or Territory where the member's registered address is located.
- (c) "*Ex Officio* Director" means the directors described in Bylaw 3.5.
- (d) "principal place of business" means :
  - (i) in the case of a body corporate, the place where, according to the body corporate's charter, memorandum of association or by-laws, the head office of the body corporate in Canada is situated;
  - (ii) in any other case, the place where the principal premises of the member or applicant used for carrying on business is located.

- (e) “registered address” of a member means the address of the member’s principal place of business as recorded in the register of members;
- (f) “Society Act” means the *Society Act* of British Columbia from time to time in force and all amendments to it.

- 1.2 The definitions in the *Society Act* on the date these Bylaws become effective apply to these Bylaws.
- 1.3 Words importing the singular include the plural and vice versa, and words importing a male person include a female person and a corporation.

## 2. CONDITIONS OF MEMBERSHIP

- 2.1 Members: The members of the Society are the applicants for incorporation of the Society, and those persons who subsequently become members, in accordance with these Bylaws and, in either case, have not ceased to be members.
- 2.2 Membership: No person will be admitted as a member of the Society unless that person:
  - (a) operates a retail travel agency, is a corporation or legal entity which operates a retail travel agency, or is admitted as a member by the Board; and
  - (b) submits an application for admission which, in the opinion of the Board satisfies the criteria for admission as established by the Board from time to time and is otherwise approved by the Board in its discretion. All applications for membership must include the address of the applicant’s principal place of business (including a fax number, if any) which, unless changed by the member by written notice to the Society, will be the registered address for that member.

Members may be admitted for a term of membership determined by the Board from time to time. Each member in good standing will be entitled to vote in accordance with Bylaw 9.8.

- 2.3 Membership Fees: The membership fees or dues will be determined by the Board from time to time and are non-refundable. Members will be notified in writing of the membership fees at any time payable by them. If any member does not pay membership fees owing by him within one calendar month of receiving the notice, the member will be deemed not to be in good standing.
- 2.4 Withdrawal of Membership: Any member may withdraw from the Society by delivering to the Society a resignation in writing which resignation will be effective on the earlier of

the date of acceptance by the Board or 12 months from receipt by the Secretary of the resignation.

2.5 Termination of Membership: The interest of a member in the Society is not transferable except with the consent of the Board. Membership terminates:

- (a) upon death, dissolution or winding up of the member;
- (b) if the member ceases to operate a retail travel agency unless otherwise permitted by the Board to remain a member;
- (c) if the member becomes bankrupt or insolvent;
- (d) if the member is not in good standing for a period of 12 consecutive months;
- (e) when the member's term of membership expires (if any);
- (f) when the member ceases to be a member by resignation or otherwise in accordance with these Bylaws;
- (g) if at a general meeting of members a special resolution to remove the member is passed by the members of which notice specifying the intention to pass such resolution was given. A member subject to such a resolution will be granted an opportunity to be heard at any such meeting.

### 3. BOARD OF DIRECTORS

3.1 Duties and Numbers: The property, business and affairs of the Society will be managed by the Board. The Board will consist of not less than seven and not more than ten directors as may be determined by the Board from time to time. The number of directors will be inclusive of the *Ex Officio* Directors. Except where expressly excluded, the directors include the *Ex Officio* Directors.

3.2 Qualifications: No person will be eligible to serve as a director unless that person is:

- (i) an individual who is at least 18 years of age; and
- (ii) a member in good standing of the Society or a director, officer or shareholder of a member in good standing of the Society.

3.3 First Directors: The first directors of the Society are the applicants for incorporation of the Society. The first directors will resign and their successors elected at the first annual meeting of members.

3.4 Election and Term: The directors of the Society, other than the first directors and *Ex Officio* Directors will be elected by the members at an annual meeting of the Society. At the first annual meeting of members, the directors, other than the *Ex Officio* Directors will be elected in the manner and for the terms described below:

- (a) One director will be elected by a majority of the members having a registered address in British Columbia, Alberta, Yukon or the Northwest Territories (the "Western Members") for a term of two years (the "Western Director"). The first Western Director will resign at the third annual meeting of members at which time the Western Members will elect a successor for a term of two years. Thereafter the Western Director will resign at every second annual meeting of members at which meeting a successor will be elected by the Western Members.
- (b) One director will be elected by a majority of the members having a registered address in Saskatchewan or Manitoba (the "Prairie Members") for a term of two years (the "Prairie Director"). The first Prairie Director will resign at the third annual meeting of members at which time the Prairie Members will elect a successor for a term of two years. Thereafter the Prairie Director will resign at every second annual meeting of members at which meeting a successor will be elected by the Prairie Members.
- (c) One director will be elected by a majority of the members having a registered address in Ontario (the "Ontario Members") for a term of one year (the "Ontario Director"). The first Ontario Director will resign at the second annual meeting of members at which time the Ontario Members will elect a successor for a term of two years. Thereafter the Ontario Director will resign at every second annual meeting of members at which meeting a successor will be elected by the Ontario Members.
- (d) One director will be elected by a majority of the members having a registered address in Quebec (the "Quebec Members") for a term of one year (the "Quebec Director"). The first Quebec Director will resign at the second annual meeting of members at which time the Quebec Members will elect a successor for a term of two years. Thereafter the Quebec Director will resign at every second annual meeting of members at which meeting a successor will be elected by the Quebec Members.
- (e) One director will be elected by a majority of the members having a registered address in New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland (the "Atlantic Members") for a term of one year (the "Atlantic Director"). The first Atlantic Director will resign at the second annual meeting of members at which time the Atlantic Members will elect a successor for a term of two years. Thereafter the Atlantic Director will resign at every second annual meeting of members at which meeting a successor will be elected by the Atlantic Members.



The Board, in its sole discretion, may determine if a member is Western, Prairie, Ontario, Quebec or Atlantic member.

3.5 Ex Officio Directors: Notwithstanding anything in these Bylaws:

- (a) the President from time to time of Advantage Travel & Cruise Centres Inc. and its successors and assigns ("Advantage"), will be a permanent director of the Society provided that Advantage is in good standing. If Advantage does not have a President, Advantage may appoint one director to the Board until such time that Advantage has a President.
- (b) the Executive Director from time to time of T/Comm/ A Travel Communication Association Inc. and its successors and assigns ("Travel T-Comm") will be a permanent director of the Society provided that Travel T-Comm is in good standing. In the event that Travel T-Comm does not have an Executive Director, Travel T-Comm may appoint one director to the Board until such time that Travel T-Comm has an Executive Director.
- (c) the President of the Society, if such an officer is appointed by the Board, will serve as a director for the duration of his appointment.

3.6 Disqualification of Director: The office of director will be automatically vacated:

- (a) if a director resigns his office by delivering a written resignation to the Secretary of the Society;
- (b) if he is found by a court to be a mentally incompetent person;
- (c) if he or the member of which he is a director, officer or shareholder becomes bankrupt or insolvent;
- (d) if his membership or the membership of the member of which he is a director, officer or shareholder is terminated or is not in good standing;
- (e) if at a general meeting of members a special resolution is passed to remove him from office;
- (f) if a director fails to attend more than two consecutive meetings of the Board unless the Board permits the absences; or
- (g) on death.

3.7 Filling Vacancies: If a vacancy on the Board occurs, the Board may, by majority vote, fill the vacancy from among the members in good standing unless the vacant office is that

of an *Ex Officio* Director. A director elected by the Board to fill a vacancy will remain a director for the balance of the term of the disqualified director.

Any vacancy in the *Ex Officio* Directors will be filled by the appointment of a director by:

- (a) Advantage if the vacancy is the *Ex Officio* Director who was the President of Advantage or otherwise appointed to the Board by Advantage.
- (b) Travel T-Comm if the vacancy is the *Ex Officio* Director who was the Executive Director of Travel T-Comm or otherwise appointed to the Board by Travel T-Comm.
- (c) the Board, if the vacancy is the *Ex Officio* Director who was the President, by appointing a President.

- 3.8 Directors' Remuneration: The directors may be paid such reasonable remuneration for their service on the Board as the Board may determine from time to time. The directors will be entitled to be reimbursed for travelling and other expenses properly incurred by them in attendance of their duties as approved by the Board from time to time.

Nothing herein contained will preclude any director from serving the Society in any other capacity and receiving remuneration therefor.

- 3.9 Conflict Provisions: It is the duty of a director of the Society who is in any way, whether directly or indirectly, interested in a proposed contract or transaction with the Society (the "Interested Director") to disclose fully and promptly the nature and extent of his interest at a meeting of directors. In accordance with the provisions of the *Society Act*, an Interested Director will be liable to account to the Society for profit made by him as a consequence of the Society entering or performing the proposed contract or transaction.

#### 4. POWERS OF THE BOARD OF DIRECTORS

- 4.1 Administration of Affairs: The directors of the Society will manage the property, business and affairs of the Society and may make or cause to be made for the Society, in its name, any kind of contract which the Society might lawfully enter into and, save as hereinafter provided, may exercise all such powers and do all such other acts and things as the Society is authorized to exercise and do.
- 4.2 Borrowing Powers: In order to carry out the purposes of the Society the Board may, on behalf of and in the name of the Society, raise or secure the payment or repayment of money in any manner which the Board may decide provided however that the Board must not issue a debenture or other security without the authorization of a special resolution.

## 5. MEETINGS OF THE BOARD OF DIRECTORS

- 5.1 Place of Meetings and Quorum: Meetings of the Board may be held at any time and place determined by the directors from time to time. The presence of a majority of the directors constitutes a quorum for the transaction of any business at any meeting of the Board.
- 5.2 Calling of Meetings: The Chair, President or any two directors may at any time call a meeting of the Board. There will be at least one meeting of the Board in each calendar year.
- 5.3 Notice of Meetings: Notice of any meetings of the Board will be delivered to each director not less than two clear business days before such meeting.

No error or omission in giving notice of any meeting of the Board or any adjourned meeting of the Board will invalidate such meeting or make void any proceedings taken at the meeting and any director may at any time waive notice of any proceedings taken or had at the meeting.

- 5.4 Voting Rights: Each director will have one vote on all matters at any meeting of the Board. Questions arising at any meetings of the Board will be decided by a majority of the directors present at the meeting. In the event of an equality of votes, the chair of the meeting will have a second or casting vote.
- 5.5 Meetings by Telephone Conference: A director may participate in a meeting of the Board or of a committee of the Board by means of such telephone conference or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting.
- 5.6 Resolution in Writing: A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors.
- 5.7 Minutes of Meetings: The minutes and resolutions of the Board will not be available to the members of the Society but will be available to the Board.

## 6. COMMITTEES

- 6.1 Number and Composition: The Board may establish such committees of the Board and of the members which the Board may deem expedient from time to time. The mandates and membership of such committees will be determined by the Board.

## 7. OFFICERS

7.1 Officers: From time to time the Board may designate the officers of the Society and may appoint a President, Chair, Treasurer, Secretary, Chief Executive Officer and such other officers as the Board may determine. The Chair and the Chief Executive Officer must be appointed from among the directors. The President, if not a director, on appointment, will become a director of the Society for the duration of his appointment as President in accordance with Bylaw 3.5(c). All other officers need not be appointed from among the directors.

7.1 Term of Office: The President will hold office for the term determined by the Board. All other officers will hold office for one year from the date of appointment or until their respective successors are appointed. All officers will be subject to removal by resolution of the Board at any time.

## 8. DUTIES OF OFFICERS

8.1 President: The President will report to and take directions from the Board, Chief Executive Officer or any other officer as determined by the Board from time to time. During the absence of the President, his duties and powers may be exercised by the Chair, Secretary or Treasurer, in that order, or by such other director of the Society as the Board may determine. The duties of the President may include:

- (a) implementing the directions and policies of the Board within the budgetary constraints approved by the Board, and in a prudent and businesslike manner;
- (b) developing new initiatives for the Society in accordance with the Society's purposes and any guidelines, policies or business plans adopted by the Board;
- (c) developing and maintaining a positive profile for the Society within the travel industry;
- (d) liaising with members and providing leadership;
- (e) negotiating with suppliers of travel services for participation in Genesis/CSTAR;
- (f) overseeing accounting functions;
- (g) recommending salary adjustments for employees of the Society and reviewing financial matters with the Board;
- (h) providing job descriptions for employees of the Society;
- (i) reporting to the Board concerning the general state of affairs within the Society;

- (j) distributing the following to the Board in a timely manner:
  - (i) minutes from meetings of the Board or members
  - (ii) agendas for future meetings together with the material necessary for review prior to such meetings on subjects to be considered at such meetings;
- (k) responding to the needs and requests of the members;
- (l) providing the Board with information concerning new programs and developments;
- (m) informing the Board as to the general well being of the Society and the satisfaction or dissatisfaction of the members;
- (n) providing approved training seminars and information paper(s) for the benefit of the members;
- (o) actively soliciting new members;
- (p) with the approval of the Board, acquiring, leasing or hiring such facilities and staff as are reasonably necessary in order to administer the affairs of the Society;
- (q) marketing and communication; and
- (r) any other such duties and responsibilities as may be determined by the Board from time to time.

8.2 Treasurer: The Treasurer will keep or cause to be kept proper accounting records of the Society in compliance with any applicable statute and in accordance with generally accepted accounting principles and will be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Society; he will render to the Board whenever required an account of all his transactions as Treasurer and of the financial position of the Society; and he will have such other powers and duties as the Board may specify.

8.3 Chair: The Chair will preside at all meetings of the Board and of the members. During the absence or inability of the Chair, his duties and powers may be exercised by the President, Secretary or the Treasurer, in that order, or if none of those officers is present, by such other director as the Board may determine.

8.4 Secretary: The Secretary will attend and be the secretary of all meetings of the Board and of the members and will enter or cause to be entered in records kept for that purpose minutes of all proceedings; he will give or cause to be given, as and when instructed, all notices to the members, the directors, officers and auditors; he will be the custodian of

any corporate seal of the Society and of all books, papers, records, documents and instruments belonging to the Society, except when some other officer or agent has been appointed for that purpose; and he will have such other powers and duties as the Board may specify.

- 8.5 Chief Executive Officer The Board may appoint the President, Chair or any other member of the Board as Chief Executive Officer of the Society. The Chief Executive Officer will have such powers and duties as the Board may specify from time to time.

9. MEETINGS OF MEMBERS

- 9.1 Annual Meetings: A general meeting of members will be held annually. The first annual general meeting of the society must be held not more than 15 months after the date of incorporation and after that an annual meeting must be held at least once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting.

- 9.2 Time and Place of Meetings: The annual or any other general meeting of the members will be held at the time and place, in accordance with the *Society Act*, that the Board may determine.

- 9.3 Extraordinary General Meetings: Every general meeting, other than an annual general meeting, is an extraordinary general meeting.

- 9.4 Calling of Meetings: The Board may call, at any time, an extraordinary general meeting of the members of the Society. The Board will call an extraordinary general meeting of the members on written requisition of not less than one-tenth of the members.

- 9.5 Quorum: A quorum at all meetings of members is the greater of:

- (a) 3 members; or
- (b) 5% of the members.

A member must be in good standing and present at the meeting to be counted in a quorum.

- 9.6 Notice of Meetings: Notice of any general meeting of members will be delivered to each member not less than fourteen and not more than fifty clear days before such meeting.

No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the Society will invalidate such meeting and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had at the meeting.

9.7 Annual Meetings: At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors will be presented, the directors elected and auditors appointed for the ensuing year.

9.8 Voting Rights: Each member in good standing present at a meeting will have the right to exercise one vote. A member in good standing may, by means of a written proxy, appoint a "regular proxyholder" or a "management proxyholder" to attend and act at a specific meeting of members in the manner and to the extent authorized by proxy. A "regular proxyholder" must be a member in good standing of the Society and may not hold the proxy of more than the lesser of:

- (a) 10 members in good standing; or
- (b) 1% of the members in good standing.

A "management proxyholder" must be a director of the Society and be appointed by the Board as a "management proxyholder". A "management proxyholder" may not hold the proxy of more than 2500 members in good standing.

9.9 Form of Proxy. An instrument appointing a proxyholder, whether for a specified meeting or otherwise, must be in the form following, or in any other form that the Board approves:

Canadian Standard Travel Agent Registry

The undersigned, being a member of the above named Society, hereby appoints \_\_\_\_\_ or failing him \_\_\_\_\_ as proxyholder for the undersigned to attend, act and vote for and on behalf of the undersigned at the general meeting of the Society to be held on the \_\_\_\_ day of \_\_\_\_\_, and at any adjournment thereof.

Signed this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
(Signature of member)

9.10 Voting: At all meetings of members of the Society, every question will be determined by a majority of votes unless otherwise specifically provided by statute or by these Bylaws. Voting is by a showing of hands. In the event of an equality of votes, the chair of the meeting will have a second or casting vote.

A corporate member may vote by its authorized representative, who is entitled to speak and vote, and in all other respects exercise the rights of a member, and that representative must be considered as a member for all purposes with respect to a meeting of the Society.

- 9.11 Resolutions in Writing: A resolution in writing, signed by all the members entitled to vote on that resolution at a meeting of members, is valid as if it had been passed at a meeting of members.

10. INDEMNITIES TO DIRECTORS AND OTHERS

- 10.1 The Society may, with the approval of the court, indemnify a director or former director of the Society or a director or former director of a subsidiary of the Society, and his or her heirs and personal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by him or her, in a civil, criminal or administrative action or proceeding to which he or she is made a party because of being or having been a director, including an action brought by the Society or subsidiary, if

- (a) he or she acted honestly and in good faith with a view to the best interests of the Society; and
- (b) in the case of a criminal or administrative action or proceeding, he or she had reasonable grounds for believing his or her conduct was lawful.

11. GENERAL

- 11.1 Head Office: The head office of the Society will be in the City of Vancouver, in the Province of British Columbia.

- 11.2 Execution of Instruments: Contracts, documents or any instruments in writing requiring the signature of the Society may be signed by any two directors and all contracts, documents and instruments in writing so signed will be binding upon the Society without any further authorization or formality.

The Board may resolve from time to time to appoint one or more directors, officers or other persons to sign specific contracts, documents and instruments on behalf of the Society. The seal of the Society, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by one or more directors, officers or persons designated by the Board.

- 11.3 Notice: A notice may be delivered to a member or to a director personally, or by courier or mail to the member's registered address or, in the case of a director who is not a member, to the registered address of the member of which he is a director, officer or shareholder. If such registered address includes a fax number, notice may be given to the member or director by facsimile. A notice will be deemed to have been received by the member or the director:



- (a) if delivered personally or by courier, on the day it was delivered;
- (b) if delivered by mail, twelve days after the mailing of the notice;
- (c) if transmitted by facsimile on a business day before 3:00 p.m. (local time at place of receipt), on that business day; or
- (d) if transmitted by facsimile on a non-business day or on business day after 3:00 p.m. (local time at place of receipt), on the next business day following the transmission.

11.4 Fiscal Year End: The Board may, by resolution, determine the fiscal year end of the Society and may from time to time, by resolution, change the fiscal year end of the Society.

11.5 Auditor: The members will at each annual meeting appoint an auditor to audit the accounts of the Society for report to the members at the next annual meeting. The auditor will hold office until the next annual meeting provided that the Board may fill any vacancy in the office of auditor. The remuneration of the auditor will be fixed by the Board.

## 12. RULES AND REGULATIONS


12.1 The Board may prescribe such rules and regulations not inconsistent with these Bylaws as they deem expedient.

13. AMENDMENT OF BYLAWS

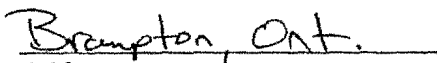
13.1 The Bylaws of the Society may be repealed or amended by a special resolution of the members.

Witness to all signaturesApplicants for Incorporation

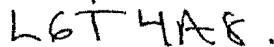


Signature



Name

Address

NEIL COOPER WINTER

3 Lancefield Crescent

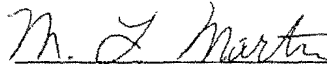
Brampton, Ontario, L6S 2R1



LES CASSETTARI

6981 Marine Drive

West Vancouver, B.C., V7W 2T3



MARILYN MARTIN

301-119 Swindon Way

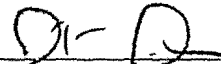
Winnipeg, Manitoba., R3P OW3



BUD SMITH

147 St. Paul Street W.

Kamloops, B.C. V2C 1G2



GAETAN GATIEN

127 Edison Street

Chateauguay, Quebec, J6K 4B6



ALAN PINK

3 Parmbelle Lane

Halifax, Nova Scotia, B3N 1N2



DIANE SOUCCAR

16 Bishop Street

Toronto, Ontario, M5R 1N2



Ministry of Finance  
Corporate and Personal  
Property Registries

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
Location:  
2nd Floor - 940 Blanshard Street  
Victoria BC

**SOCIETY  
NOTICE OF ADDRESS  
OF SOCIETY  
Form 5**  
Sections 3 and 10  
SOCIETY ACT

Enquiries: 250 356-8673  
Hours: 8:30 - 4:30  
(Monday to Friday)

Filing Fee: \$15.00  
(SEE IMPORTANT NOTE BELOW)

**INSTRUCTIONS:**

1. Please type or print clearly in block letters and ensure that the form is signed and dated in ink. Complete all areas of the form. The Registry may have to return documents that do not meet this standard.
2. In Box A, enter the exact name as shown in Item 1 of the society's constitution, or on the Certificate of Incorporation or Change of Name.
3. In Box B, enter the Incorporation Number. This number is assigned at the time of incorporation and is located in the upper right-hand corner of the Certificate of Incorporation.
4. In Box C, enter the complete physical address. You may include general delivery, post office box, rural route, site or comp. number as part of the address, but the Registry cannot accept this information as a complete address. You must also include a postal code. If an area does not have street names or numbers, provide a description that would readily allow a person to locate the office.
5. Filing Fee: \$15.00. Submit this form with a cheque or money order made payable to the Minister of Finance. (The filing fee is not applicable if you are incorporating a society.)
6. Additional information and forms are available on the Internet at:  
[www.fin.gov.bc.ca/registries](http://www.fin.gov.bc.ca/registries)

**Important Note:**

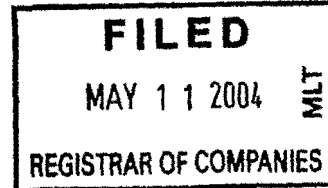
This form is used to register the address of a society at the time of incorporation (no filing fee is charged) OR to change the address of a society after it is incorporated (filing fee of \$15.00 is applicable).

**Notice of every change of address is effective on the day after the Notice is filed by the Registrar of Companies.**

**B CERTIFICATE OF INCORPORATION NUMBER**

S-38464

OFFICE USE ONLY - DO NOT WRITE IN THIS AREA



*Freedom of Information and Protection of Privacy Act (FIPPA):* The personal information requested on this form is made available to the public under the authority of the Society Act. Questions about how the FIPPA applies to this personal information can be directed to the Administrative Assistant of the Corporate and Personal Property Registries at 250 356-1198, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

**A FULL NAME OF SOCIETY**

CANADIAN STANDARD TRAVEL AGENCY REGISTRY

The address of the society is: (must be a physical address)

1502-1166 ALBERNI ST  
VANCOUVER, BC  
V6E 3Z3

PROVINCE	POSTAL CODE
B.C.	V6E 3Z3

**CERTIFIED CORRECT** - I have read this form and found it to be correct.

Signature of a current Director, Officer, or Society Solicitor

X

DATE SIGNED

YYYY MM DD

2004 05 05

**COMPETITION TRIBUNAL**

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B E T W E E N :

CANADIAN STANDARD TRAVEL AGENT REGISTRY

Applicant

- and -

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Respondent

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**NOTICE OF MOTION**

(Filed this 30<sup>th</sup> day of May, 2008)

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**McMILLAN LLP**  
Brookfield Place  
181 Bay Street, Suite 4400  
Toronto, ON M5J 2T3

D. Martin Low LSUC #14392F  
Tel: (416) 865-7100  
Fax: (416) 865-7048

**McMILLAN LLP**  
1000 rue Sherbooke Ouest  
Bureau 2700  
Montréal, QC H3A 3G4

M<sup>e</sup> Éric Vallières  
Tel: (514) 987-5068  
Fax: (514) 987-1213

**Solicitors for the Respondent**