

Preparing for TICO's New Exams: **A QUICK AND EASY PROCESS!**

Between now and June 30, 2009, everyone who sells travel services or provides travel advice to the public on behalf of an Ontario registered travel agency must take the TICO Education Standards Travel Counsellor Exam. If you have not taken and passed the exam by that date, you will not be able to continue selling travel or providing travel advice to the public.

Before looking at the finer details, there are some issues that TICO would like to make very clear. Since the travel industry is regulated in Ontario, the purpose of having an exam is to ensure that anyone who sells travel in Ontario has sufficient knowledge of the legislation. By passing the exam, travel counsellors and supervisors/managers are showing that they know what information and advice they should be providing to consumers - as required by the *Travel Industry Act, 2002* and Ontario Regulation 26/05. Please understand that no one's professionalism is being questioned, and no one is being told how to operate his or her business.

What do the exams consist of?

Both the TICO Education Standards Travel Counsellor Exam and the Supervisor/Manager Exam focus entirely on the legislation. There are no questions on geography, airline codes, the BSP, and

so forth. The Canadian Institute of Travel Counsellors (CITC) - the industry's educational trade association - has been contracted by TICO to manage the exam-writing process.

The closed-book exams consist of multiple-choice questions that will test candidates' understanding of the material. For example, you will NOT be asked, "In what section of the Regulation will you find...?". The only preparation needed is to carefully read the Study Manual, which is available as a free PDF download on the TICO and CITC websites. Modules 1 to 5 relate specifically to the Travel Counsellor program, while Modules 6 to 9 relate specifically to the Supervisor/Manager program.

The Study Manual also includes sample exams, to help you prepare, along with instructions on where to check your answers on the CITC website.

The 90-minute Travel Counsellor Exam consists of 50 multiple-choice questions, while the 60-minute Supervisor/Manager Exam consists of 30 questions. A combined, 80-question exam for those wishing to write the Travel Counsellor Exam and the Supervisor/Manager Exam at the same time has a 150-minute limit. No prep courses are required or endorsed by TICO.

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EX OFFICIO

Michael Pepper
President and Chief Executive Officer
Travel Industry Council of Ontario

LETTER FROM THE CEO



The world continues to experience dramatic change, influenced by increasing oil prices. In particular, the travel sector has been hard hit as the cost of jet fuel has more than doubled since a year ago. The airline industry is most vulnerable. Many airlines were not profitable, even before this recent round of fuel price increases. Five airlines in the USA have failed in the last few months. Other airlines are consolidating or amalgamating in an effort to stay airborne. There are calls for re-regulation as the only solution to put a stop to artificially low fares and over capacity. Add-on fees are now the norm for everything from blankets and pillows to an extra bag or choice of seat. Costs are all broken out rather than included in the base fare. By the time airport improvement fees, NavCan fees, security charges and taxes are added, the consumer will be paying significantly more than the advertised price. This can be very confusing to the consumer who just wants to know what he or she will have to pay for the flight.

We all understand what is happening but why are air carriers permitted to continue to advertise in this way? Canada is clearly off-side with most major jurisdictions in the world when it comes to full disclosure of the cost of airfares. Travel agents and travel wholesalers in Ontario have to provide full price disclosure in their advertising. TICO and the Travellers Protection Initiative (TPI) have been encouraging the federal government to make changes to require more disclosure in airline price advertising. If this issue is important to you, please write to the federal Minister of Transport regarding your concerns. TICO and TPI need your support in order to convince the federal government that increased price disclosure is important to protect consumers.

Despite all of this turmoil, consumers continue to travel and the services of travel agencies are still in high demand. A changing marketplace and changes in consumer habits mean travel agencies have to change how they do business to meet the needs of their customers. Margins are lower than they were 10 to 15 years ago, something that every agency has to be aware of. To be successful today, you must stay on top of your business and monitor performance. Recent studies indicate that the travel agency is not about to become extinct, so hang in there.

Wishing you all a prosperous summer.



Michael Pepper
CEO



Notice to Members

ANNUAL GENERAL MEETING

TAKE NOTICE THAT the Annual General Meeting of the members of the Travel Industry Council of Ontario will be held at 4:00 p.m. on Tuesday, June 24, 2008 at the Toronto Congress Centre, 650 Dixon Road, Toronto, Ontario for the purpose of:

- (a) receiving, considering and approving the financial statements for the previous financial year, together with the Auditor's Report;
- (b) receiving and considering the Annual Report;
- (c) appointing an Auditor for the next year following; and
- (d) transacting such other business as may properly come before the meeting.

Only members in good standing are entitled to participate in and vote at the meeting. Members of the public are invited to attend.

Written notice must be received by the Secretary on or before June 3, 2008, of any motions to be made at the Annual Meeting.

Members who will not be attending the meeting are invited to submit written requests for proxies. Copies of the audited financial statements as at and for the fiscal period ended March 31, 2008 will be available at the Annual General Meeting and may be requested in writing prior to the meeting.

DATED at Mississauga this 14th day of April, 2008.

On behalf of the Board of Directors

Tracey McKiernan

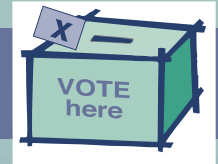
Secretary

AND YOUR PRESENCE IS REQUESTED!

The Annual General Meeting is a great opportunity for registrants to come and hear, first-hand, about TICO's initiatives and other timely issues. This is your chance to ask questions and make suggestions to TICO's Board of Directors - either during the AGM or at the reception afterwards. TICO would be delighted to welcome as many of you as are able to attend. Please mark June 24th in your calendar and join us for an afternoon of information-sharing and discussion.

Your vote is important

TICO recently invited nominations for one elected position on the Board of Directors. The position is open to retail candidates, for a term of office of three years, commencing at the Annual General



Meeting. The deadline for submitting

nominations was April 18, 2008, and the following nominees are on the ballot: Monique Cloutier, Universal Gateway Travel Agency, Wahnapiatae; Carole Cooper, Flight Centre, Toronto; Gregory Luciani, Travelonly Inc., Brantford; and David Shaw, Evans INTRAVEL Inc., Orillia. Ballots will be sent to Member Registrants at the end of May. The deadline to vote is June 13, 2008. The election results will be announced at the Annual General Meeting on June 24, 2008. As was outlined in the last issue of **TICO TALK**, being a Board member is an immense responsibility - but provides a marvellous opportunity to play an active leadership role in the travel industry. Once again, we urge all registrants to vote in this election.

Business Plan and Annual Report

The 2008 Business Plan and 2008 Annual Report are currently being prepared for presentation at the AGM. The Annual Report will be mailed to all registrants, while the Business Plan will be distributed at the AGM. It will also be available to registrants on request, and it may be downloaded from TICO's website at www.tico.ca after June 24, 2008.

Welcome to the Board!

TICO would like to extend a warm welcome to Dr. James Savary, who was recently appointed by the Ministry of Government and Consumer Services. Dr. Savary is Associate Professor Emeritus in the Department of Economics at Glendon College, York University, in Toronto. We look forward to benefiting from Dr. Savary's expertise - his specialties include electronic commerce and regulatory issues in information technology.

TICO TALK Feedback

If you have questions, comments or concerns on anything that you read in **TICO TALK**, or on any other matter that impacts the travel industry, please contact us. Your opinions are important to us. We can be reached very easily - at **(905) 624-6241**, or at **1-888-451-TICO**, or by e-mail to tico@tico.ca.



PRESENTING



Barbara Wesley Complaints Officer TICO

Q & A

Could you outline your career, prior to joining TICO?

I spent sixteen years working as an elementary school teacher, and then became a private investigator for five years. In 1988 I joined Wardair, to work in their customer relations department. Since then, I've worked with a variety of tour operators and charter airlines, always in customer relations.

When did you join TICO?

I joined TICO as its Complaints Officer in May 2007.

What does your job involve?

I accept consumers' complaints against an Ontario registered travel agency or wholesaler, and review the circumstances against the requirements under the legislation. Once I've opened the file, I send a copy of the complaint to the registrant involved, and request their written response - including their position with regards to any legislation that has been quoted, and what steps have been taken to settle the matter. On receiving the registrant's response, I make sure that all issues have been addressed and then I provide an answer, in writing, to the consumer. Ultimately, TICO's aim is to try and assist the consumer reach an equitable solution with the registrant. If any compliance issues are involved, I forward the file to TICO's Compliance Department for follow-up. Compliance issues are handled separately from the original complaint.

What are the main areas of complaint?

Hotel bumping is a big problem. People often chose a specific hotel, months before they travel, and are understandably upset when they hear from their travel agent, shortly before they are due to leave, that it is not available. Although the tour operators, through the travel agents, must offer the travellers the choice of comparable travel services or a full refund - as the legislation requires - people still complain because they are so disappointed.

Another issue concerns misleading information. For example,

Q & A

a consumer reads in brochures, or on-line, about a hotel that has, say, a disco and a wide sandy beach. When they get there, they discover that the disco has been closed for three years and that a hurricane destroyed the beach... so they consider this false and misleading advertising. TICO then has to follow up with the registrant to ensure that the information being advertised is accurate so that future travellers are not affected.

What types of complaints would you have not received, if the registrant been aware of their legal responsibilities?

Many complaints revolve around disclosure. For example, under Ontario Regulation 26/05, a travel agent must advise a consumer, before making a booking, of the travel documentation required for each person travelling, and it must be itemized on the invoice. Often people tell us they were not told that a visa was required, or that a birth certificate would not be adequate documentation. Far too many people have been denied boarding due to this mistake. It is simply not good enough to tell a customer to check with the embassy.

Similarly, countries have different rules on whether a child can travel on a parent's passport or not... or whether a passport has to be valid for up to six months after travelling to a specific destination. It is the travel agent's legal obligation to provide all of this information.

Another issue is that often agents do not advise clients of penalty charges for changing their plans. Sometimes both an airline and the agency charge fees for this. The customer must always be notified up front, and the information should be included on their invoice.

What is your biggest challenge?

Since I've worked with tour operators for 20 years, changing my mindset to think like an administrator of the legislation rather than like a registrant has been a challenge!

I also find that many consumers believe that TICO has more authority than it does to solve their problems, and so we have to help them understand what our parameters are.

Another challenge is making both registrants and consumers aware that selling travel services on the Internet is covered by the same legislation as a bricks-and-mortar agency.

What do you like best about your job?

My co-workers! It's always a learning curve when you begin a new job, but the support I got from everyone at TICO made my transition easy. TICO is like a family. I also enjoy the diversity. No two files are ever the same, so I'm always using my 'grey matter'! Simply put, I just love my job! ▲

A wave of airline closures

Within a ten-day period this spring, three airlines closed their doors. Hawaii-based Aloha Airlines ceased operations on March 31. Indianapolis-based ATA Airlines closed their doors on April 3, and Vancouver-based budget airline Oasis Hong Kong Airlines ceased operations on April 9. In each instance, a Closure Advisory has been posted on TICO's website at www.tico.ca, with information on:

- ✦ Steps to take when consumers have purchased the airline's travel services from a registered Ontario travel agency
- ✦ Steps to take when travel agents have purchased ITC packages and/or air only from an Ontario tour operator or travel wholesaler
- ✦ Responsibilities of Ontario registrants who have sold any of the above airline's services as part of a package.

As all registrants should be well aware by now, the amended legislation on end-supplier failure means that all consumers who purchased travel services from and paid their money to an Ontario registered travel retailer, and did not receive these travel services due to the cessation of an airline or cruise line, are eligible to claim against the Compensation Fund.

While the circumstances are unfortunate, these failures illustrate yet again the advisability of purchasing travel services through a registered Ontario travel retailer rather than booking direct, on-line, with an air carrier.

Determining the pass mark for the TICO Education Standards Exams

Each exam form has a unique pass mark, because it has been built by assembling a random group of questions from a larger bank of questions. Each question has been reviewed and rated to determine how difficult the question is for a candidate with the minimum required amount of knowledge. The more difficult the question, or the more technical, the more likely people are to fail it. If a question is easier, then a higher percentage of people are likely to select the correct answer.

As a result, every question has its own level of difficulty and an expected % pass mark assigned. The individual question pass marks are then averaged, and the overall pass mark is determined for that exam. Since exam forms consist of a different mix of questions, the pass mark of each exam form will vary - but the average pass mark is roughly 70%.

Those who score higher than or equal to the exam standard will be assigned a Pass. If their score is lower than the standard, they will be assigned a Fail. Successful candidates' scores will not be reported to the candidate, as they will not be significant since they cannot be compared to results from another exam form.



Preparing for TICO'S New Exams: A Quick and Easy Process!
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Who can be grandfathered?

Under the legislation, every travel agency must have an approved Supervisor/Manager on their application for registration or renewal. The Supervisor/Manager "on record" with TICO as of June 30, 2009 will be grandfathered and therefore not required to take the Supervisor/Manager Exam. Only one Supervisor/Manager per agency on record is allowed, so registrants will not be able to add additional supervisors and managers to their registration record in order to be grandfathered.

However, as some of you may hope to become a Supervisor/Manager, TICO encourages you to take the combined exam now, since it will open up opportunities for promotion sooner rather than later.

The actual exam process

Close to 99% of the questions you may have will be answered once you read the Overview of the Process and the FAQs on the exams on the TICO and CITC websites! The next step is to download the Study Manual - or if you prefer, order a coil-bound hard copy from CITC for \$15 plus G.S.T.

When you are ready, register for the exam on-line. You can name your exam date, but it must be at least 14 days from the date on which you register. At the same time, you must name your Proctor (for further details, refer to the last issue of *TICO TALK* and the Proctor Guide, which can be downloaded from both TICO's and CITC's websites). The registration form includes a secure credit card checkout form, or you can mail a cheque, payable to CITC, for the exam fee.

Make sure that your Proctor has read the Proctor Guide - and faxes the completed Proctor Application to CITC for approval. CITC will provide further details about your exam session to the Proctor.

On the day of the exam, present yourself in good time, along with your government-issued photo ID and your unique TICO exam registration number, which you will have been given on registering. You will be asked to sign the Candidate Log when you arrive, and after the exam when you leave.

The results

The exams will simply be reported as a Pass or Fail. Those who have passed will receive a letter and certificate from TICO. Those who have failed will be sent a letter from CITC indicating which Study Manual Modules require further study before rewriting the exam.

A photocopy of your Pass Certificate must be given to your agency supervisor/manager for their files, so that they can prove that you are compliant with the legislation. Be sure to keep the original certificate in your own files. ▲

Pressure Mounts on Airlines' Artificially Low Prices



The Travellers' Protection Initiative (TPI) - the coalition of the travel industry (including TICO) and Canada's consumer organizations - continues to fight an uphill battle in its efforts to get Transport Canada to take action to end the practice of airlines in Canada misleading

consumers by advertising artificially low prices. Despite an amendment to Bill C-11 being passed in the House of Commons - which proposed the requirement to have airlines fully disclose the complete ticket price - the Senate reversed this decision. Their stated reason is that it should be postponed until industry and government have had the time to work out how to avoid any unintended consequences on airlines' competitiveness. Since Transport Canada officials had assured TPI last summer that the process would begin in the fall, it has been very disappointing.

"Nonetheless, we continue to push forward with the federal government to start consultations with stakeholders," says Michael Pepper, TICO's President and CEO. "Ted McMeekin, Ontario's Minister of Government and Consumer Services, has written to Lawrence Cannon, the federal Minister of Transport, Infrastructure and Communities, urging him to begin the process. And I am approaching other airlines - including non-domestic carriers - to get their support."

Indeed, several large, global airlines have stated that they support the recommendation since they already have to comply with similar legislation in the United States and many European countries. From their perspective, Canada is significantly out of kilter on this matter.

In recent months, TPI's position has received some strong support in the media. In February, the CBC program Marketplace clearly demonstrated how Canadian customers are being misled by airlines advertising fares that omit items like taxes, fees and fuel surcharges - which often add up to 50% of the advertised cost. (The show can be accessed at http://www.cbc.ca/marketplace/2008/02/27/ticket_to_ride.) A month later, a story appeared in the National Post, reporting on the eight-month delay since the House of Commons passed Bill C-11.

Given the undeniable importance of the issue, TPI will continue the fight to protect Canadian passengers from airline misrepresentation in advertising. ▲

Sharing exam results

First of all, exam results are only reported to the individual who wrote the exam. In fact, privacy laws require that CITC obtain the explicit permission of a candidate if that candidate wants their results disclosed to a third party.

When they register, a candidate may request that their exam results be sent directly to a third party (such as their Supervisor) by filling out the Third Party Authorization Form. CITC will require signed permission from the candidate to disclose the results to a third party.

Once a candidate has written the Exam and received their results, it is up to the candidate to communicate their results, if they so chose, to a third party. Currently, CITC will not forward results to a third party after they have already been mailed to a candidate.



Upcoming Issues

In future issues of TICO TALK we plan to include:

- A report on the AGM
- Update on the Consumer Awareness Campaign
- Progress of the Travellers' Protection Initiative

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Court Matters



► CHARGES

Aero Canadian Tour & Travel Inc., Sutharsanan Shanmugasundaram and Ragubayan Logasundaram were each charged with one count of assuming the positions of officers and directors without the approval of the Registrar, contrary to Section 5(1) of the *Travel Industry Act, 2002*.

Skyport Canada Inc., o/a Skyport Travels & Tours, and Selvaratnam Sotheeswaran were each charged with one count of operating without registration, contrary to Section 4(1)(a) of the *Travel Industry Act, 2002*. Skyport Canada Inc. had been previously registered as a travel agent under the *Travel Industry Act, 2002*; however, the defendants continued to operate after the registration was revoked.

► CONVICTIONS

Andrew Carleton Smith and Highcrest Management Inc. were convicted of one count each of operating without registration, contrary to Section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Mr. Smith was sentenced to 30 days in jail and given two years' probation during which he is not allowed to sell travel services. A warrant was issued for Mr. Smith's arrest. Highcrest Management Inc. was fined \$2,000 and ordered to pay restitution of \$8,037 to a consumer. Mr. Smith was previously convicted under the *Travel Industry Act* for operating without registration in 2005.

Yassin Alkallas of RMR Business Travel and Tourism Limited was convicted of one count of dealing with a travel agent who is not registered under the *Travel Industry Act, 2002*, contrary to Section 20 of Ontario Regulation 26/05. Mr. Alkallas was fined \$875 and given 30 days to pay the fine. The charge against the corporation, RMR Business Travel and Tourism Limited, was withdrawn.

Shih-En Lan, principal of 1521103 Ontario Inc. o/a Citywide Tours, was convicted of one count of acting or holding himself out as being available to act as a travel agent without being registered as such, contrary to Subsection 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Although the registration of 1521103 Ontario Inc. o/a Citywide Tours was revoked as a travel agent under the Act on August 22, 2007, the company continued to sell travel to consumers after this date. The charge against the company was withdrawn. Mr. Lan was fined \$3,000 and given one year to pay the fine.

► REVOCATIONS

Between February 2 and April 24, 2008, seven companies had their registrations revoked: Ancona Travel Agency Ltd., MRV Enterprises Inc. o/a Uniglobe Intrigue Travel, Adam Travel 2000 Inc., Citystar Travel Inc., 2041061 Ontario Limited o/a Planet Earth Travel, 2102976 Ontario Inc. o/a RPV Canada, Pauline & Ken's Travel and Tours Inc. ▲