

# TICO LAUNCHES A NEW INITIATIVE: A CONSUMER ADVISORY GROUP

**T**o acquire a better perspective on issues and transactions that take place between consumers and the Ontario travel industry, TICO is establishing a Consumer Advisory Group. We are confident that its deliberations and recommendations from a consumer viewpoint will be immensely helpful.

Consumers from across Ontario are being invited to apply, and particularly those who bring geographic, demographic and cultural diversity. Participants should travel occasionally but do not have to travel extensively. Anyone who is or has been employed in the travel industry is not eligible. While the terms of reference have to be finalized, the participants will probably be paid an honorarium for their services.

Consisting of from 10 to 12 people, the Consumer Advisory Group will meet for half a day, four times a year, at TICO's offices. TICO will create the agenda, selecting the topics to be discussed at each session. Members of the group, however, will also be able to add agenda items that they wish to discuss. Likely topics will range from the usefulness and reach of the Consumer Awareness Campaign to TICO's consumer materials, advertising and the effectiveness of the complaint-handling process. We want to find out from them where the gaps are and what can be improved.

Initially an outside facilitator will conduct the meetings. To ensure maximum benefit and productivity, members of the Consumer Advisory Group will receive an orientation package prior to their first meeting. Further presentations from TICO staff or other experts will be made on certain issues, whenever this is deemed to be helpful and appropriate.



Envisioned as an ongoing program, participants will be appointed for a three-year term, and they will be charged with providing regular reports and recommendations to the Board of Directors. It is, of course, just as important that TICO registrants are kept informed on the Consumer Advisory Group's activities. You will be able to read about them both in this newsletter and in TICO's annual report.

TICO hopes to have the group members appointed by the end of March, and is looking forward to what promises to be a very worthwhile initiative. ▲

## IN THIS ISSUE...

Letter from the CEO .....	2
The complexities of travel documentation ..	3
Profile of Richard Vanderlubbe .....	4

Primer on outside sales representatives ...	6
Code of Ethics .....	7
Court Matters .....	8

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## LETTER FROM THE CEO



The *Travel Industry Act, 2002* and Ontario Regulation 26/05 have now been in effect since July 1, 2005. The biggest challenge to the industry has been with the changes to advertising, disclosure and invoicing. Several agencies are still having difficulty with compliance. To assist in this area, TICO has provided some information on the complexities of travel documentation in this newsletter and has more comprehensive explanatory guidelines addressing these issues on its website ([www.tico.on.ca](http://www.tico.on.ca)). If you are not clear on any of the new requirements after referring to the website guidelines, please give TICO staff a call. We are available to assist you if you have questions.

As you will recall, some sections of the Regulation had effective dates after July 1, 2005. TICO wants to remind all registrants that the new working capital requirements came into effect on January 1, 2006. The new working capital levels will be applicable to all agencies with a year-end after this date. This issue outlines the new requirements. The requirements can also be found on the TICO website. There are some significant changes in the mid ranges, which will affect those agencies with gross sales of between \$500,000 and \$1,500,000. Please make sure that you review the new requirements and are compliant.

The minimum education requirements also have a later effective date of July 1, 2008. TICO and the Canadian Institute of Travel Counsellors (CITC) are hard at work finalizing the study manual. This issue of TICO Talk contains an update on our progress in this area. There is also an update on the Travellers Protection Initiative and Canada 3000 Holidays claims, as well as some reminders for outside sales representatives. Finally, we want to inform you about a new initiative that TICO is launching, a Consumer Advisory Group. We are very excited about this initiative and its potential to generate new perspectives, ideas and opportunities for TICO to better serve its consumer protection mandate. I hope that your year has got off to a good start and wish you well as we head into the busy March break season.



Michael Pepper  
CEO

# The complexities of travel documentation

Since the introduction of the *Travel Industry Act*, 2002 and Ontario Regulation 26/05, TICO has received numerous complaints as a result of the new requirements pertaining to travel documentation. It is a very important issue that can, at times, have immeasurable impact on a consumer if their travel agent has not followed the letter of the law.

The duty of the travel agent with respect to advice and disclosure, under pre and post sale disclosure, is outlined in detail in **Section 36** of the Regulation. When it comes to necessary documentation for travel outside Canada, it is the counsellor's duty to advise the customer about typical travel documentation needed for each person travelling, such as passports, visas and affidavits. This advice must first be given verbally before the customer commits to buying the travel services. Once the sale has been made, the travel counsellor must promptly provide the same information in writing. There are several important issues that must never be overlooked:

- **Citizenship** - the agent must inquire about the type of passport or citizenship for each person travelling and indicate to the consumer the type of documentation required for each individual. Even if one invoice is prepared, it must itemize each person's travel documentation requirements when they have different citizenship records.
- **The age of a passport** - many countries require passports to be valid for a certain period before or after the date of departure; for example, for the previous six months before a visitor's arrival in that country.
- **Timing issues** - you should advise consumers on how long it takes to obtain passports, visas or affidavits, when these are required.
- **Travelling with a child** - if only one parent, or someone who is not the child's parent, is the only adult accompanying the child, they must be able to provide an affidavit or a letter from the parent(s) providing permission for the child to be travelling.
- **Medical inoculations** - it is the travel agent's obligation to advise consumers on inoculations required. One of the easiest ways to ascertain this is to check [http://www.phac-aspc.gc.ca/tmp-pmv/236\\_e.html](http://www.phac-aspc.gc.ca/tmp-pmv/236_e.html).
- **Consumers' responsibilities** - it is important to remind consumers of their own responsibility for checking for changed requirements once the travel services have been sold, especially when there is a significant period of time between when the travel services are sold and when they are to be used. ▲

## Minimum working capital

TICO would like to remind registrants of the new working capital requirements, as set out in **Section 24** of the Regulation. The minimum working capital requirement now includes more ranges, depending on sales volume. These requirements came into effect on January 1, 2006. Starting with those whose year-end occurs in January 2006 - which means their financial statements are due in April 2006 - all registrants must meet the new requirements. A chart detailing the minimum working capital requirements can be found in **Section 24**.

SALES IN ONTARIO DURING PREVIOUS FISCALYEAR	Minimum Working Capital
\$0 - \$500,000	\$ 5,000
\$500,000 - \$750,000	\$ 10,000
\$750,000 - \$1,000,000	\$ 15,000
\$1,000,000 - \$2,000,000	\$ 20,000
\$2,000,000 - \$5,000,000	\$ 25,000
\$5,000,000 - \$10,000,000	\$ 35,000
\$10,000,000 - \$20,000,000	\$ 50,000
\$20,000,000 +	\$100,000

## TICO TALK feedback

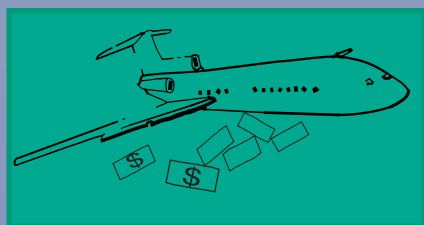
"I always try to read TICO TALK thoroughly because there are always things I can learn... the latest newsletter sets a new standard (very high)... so many things were interesting that my highlighter turned nearly all of the pages yellow... Congratulations on the continuing high quality of the newsletter."

The above is one of many positive comments we received recently. We are always happy to receive compliments, but please contact us if you have any questions, comments or concerns about anything that you read in **TICO TALK**, or on anything else that impacts the travel industry. We can be reached at (905) 624-6241, or at 1-888-451-TICO, or by e-mail at [tico@tico.on.ca](mailto:tico@tico.on.ca).

## CANADA 3000: balance of claims finally paid

It has been a long, arduous process, and **TICO** wishes to thank claimants for their patience. In December, the Judicial Trustee was finally authorized by courts in Ontario and British Columbia to pay the balance of claims in the bankruptcy of Canada 3000 Holidays. Previously, all beneficiaries had received a total of 50 cents on the dollar of their proven claims. With this announcement, PricewaterhouseCoopers LLP received the go-ahead to distribute the full and final payment of claims against the trust funds, also equal to 50 cents on the dollar of approved claims. Since all beneficiaries are now being fully refunded by the Trustee, any consumer or Ontario travel retailer who had submitted a claim to **TICO** against the Compensation Fund no longer has a valid claim.

Individuals with questions on the final distribution payment by the Judicial Trustee may contact PricewaterhouseCoopers at **1-888-689-8233**. Consumers and Ontario travel retailers with questions on Canada 3000 Holidays claims filed with **TICO** may call us directly at **(905) 624-6241, 1-888-451-8426**, or e-mail: [tico@tico.on.ca](mailto:tico@tico.on.ca).



## Richard Vanderlubbe President, Travel Superstore Inc.



Q  
&  
A

### *How did you get into the travel business?*

I acquired a single franchise operation in Hamilton in 1989, when I was 23 years old. In 1992, Duncan Macintosh joined me as a partner and we opened up a second travel agency, still in Hamilton. In 1996, we opened a third, greatly expanded, location in downtown Hamilton that became Travel Superstore's head office, where we also sold travel merchandise, books and videos.

Q  
&  
A

### *When did you get into selling travel on-line?*

Mark Luimes, who had previously worked with our Internet provider, became a partner in 2000. With his expertise, we rebranded the entire business in 2001 as Tripcentral.ca, and launched the Tripcentral.ca website. After that we expanded to ten fully staffed retail offices in shopping malls and downtown locations. Since Transat A.T. - through a wholly owned subsidiary, Consultour Inc. - became a major partner last year, we have grown to 19 offices, and plan to open locations from coast to coast within the next four years.

Q  
&  
A

### *Why did you decide to become involved with the travel industry's professional associations?*

Partly because I was "dragged" into it by Trish McTavish, who as you know sits on TICO's Board, and by Frank Dennis, the chairman of TICO's first Board of Directors. And partly because, at that time, I was very concerned about the cutting of commissions, particularly by the airlines. I have been on ACTA-Ontario's Board of Directors since 2000, including being chair in 2002 and 2003, and chaired ACTA-National's Board of Directors from 2003 to 2005. Currently I'm its vice chair. I joined TICO's Board in 2001, where I've served as chair twice, and once as vice-chair. I've also participated on many committees including E-commerce and the Legislative and Regulatory Review. Currently I sit on the Audit Committee and the Alternate Finance Committee.

Q  
&  
A

### *Why is TICO so important?*

Although not everyone sees it this way, TICO is truly a "blessing" because it enables our industry to formulate and

recommend policy changes to the Ontario government. Traditionally, TICO has been perceived more as a policing organization, but I think that gradually registrants are understanding TICO better. What makes it so important is that it is industry-driven, and that we've been able to forge a relationship with government that no other province has, at either a provincial or national level.

## Q & A

### *Is there one issue that is of prime importance to you?*

The Compensation Fund - it is too big and must be reassessed. How we managed it in the past was fine, but times change and we need a fairer way to assess contributions - especially since today, much of the gross sales does not include commissions. To help us evaluate it, the Alternate Finance Committee has commissioned an actuarial report on how much should be kept in the Fund.

## Q & A

### *What would be your medium-term goal for TICO?*

To continue working on the Consumer Awareness messaging. We have to keep on promoting why consumers should use Ontario retailers and wholesalers - it's an important message when we're competing against airlines, as well as out-of-province and out-of-country retailers and tour operators. And it's equally important to promote TICO's value to its registrants.

## Q & A

### *What are your longer-term hopes for TICO?*

I'd like to see TICO used as a model, or even outsourcing its expertise, to other provinces that don't have the resources to set up a similar organization. We could help in areas such as evaluating claims, handling complaints and financial inspections. What is key is to understand that the province would only be contracting TICO's services, which would be based on the legislation in each province's jurisdiction. I also believe TICO could serve as a national model, to strengthen the entire Canadian travel industry.

## Q & A

### *Do you have a final message for TICO TALK's readers?*

I can't stress enough that although TICO is a regulator, it works with the travel industry, and is very fair. All that we're implementing are good business practices, which lead to fewer losses. I encourage all registrants to be proactive and call TICO for advice if they have any problems. For example, if they are not sure if an ad is "on side" with the new legislation, ask TICO. Or if they've received a complaint from a customer, check with TICO to see whether they are at fault or not. Too many people still think of TICO as the industry's policing body, but it's far more than that. ▲

## Dates to note

### March 3 - 5, 2006

Canadian Woman's Expo  
International Centre  
6900 Airport Road  
Mississauga

### April 6 - 9, 2006

Travel & Leisure Show\*  
International Centre  
6900 Airport Road  
Mississauga



\*Please note that the opening night, April 6, is open to the trade only.

TICO will be distributing informational material at the above shows.



Anabel Linhares and Susan Janko represent TICO at the Cruise & Luxury Travel Expo

## New security card a potential problem

The U.S. Department of Homeland Security and Department of State recently announced that by Jan. 1, 2008, all Americans, Canadians and Mexicans arriving in the United States over a land crossing would be required to have a People Access Security Service (PASS) card, in order to increase border security.

Numerous misgivings have been expressed on both sides of the Canadian and American border. One relates to the expense, particularly if every family member is required to have the card. Another focuses on the detrimental impact it may well have on both tourism and trade, given the importance of the safe and efficient movement of people across the border to both countries' economies.

Currently, the Ontario government is advocating the establishment of a bi-national working group to consider alternative proposals to the PASS security card. Jim Bradley, Ontario Minister of Tourism, is calling for a national tourism summit to address this and other issues of concern to the tourism industry.

All stakeholders in the Ontario tourism and travel sector are being encouraged to work with the provincial government on developing a more equitable cross-border solution. If you would like to be involved, please contact Sheila Larmer, Director of Tourism Policy, Ontario Ministry of Tourism, at 416-325-6055, or e-mail [Sheila.Larmer@mtr.gov.on.ca](mailto:Sheila.Larmer@mtr.gov.on.ca).

## A primer on the rules for outside sales representatives



Provisions in the *Travel Industry Act*, 2002 and the Regulation pertaining to selling travel services outside a registrant's main office are very clear - and most particularly when those travel services are to be sold from an outside sales representative or counsellor's residence. An outside sales representative may only operate through a registered Ontario travel retailer, and must provide their clients with the retail agency's address and phone number. It is important that all registrants and outside sales representatives understand and abide by these requirements.

### Written contract

Anyone selling travel services in Ontario as an outside sales representative, and who is not an employee, must have a written contract with a registered Ontario travel retailer (see Section 12 of Ontario Regulation 26/05).

### Responsibilities

An outside sales representative is acting on behalf of a registered travel agency and must follow the same guidelines as all travel retailers. This includes full disclosure of the price, consulting or service fees and the availability of trip cancellation and out-of-province health insurance prior to a consumer booking travel services. The terms and conditions of the reservation must be reviewed with the consumer, who must be advised orally when the booking is made, and also in writing on the invoice, about what documentation is required for all travelling passengers.

### Registered premises

Any place in which travel services are sold to the public must be named as an office in the registrant's registration (see Section 6 of the Act).

### Carrying on business in a dwelling

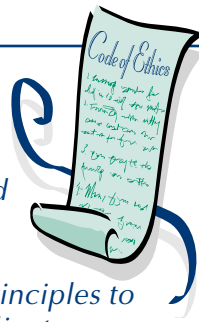
Registrants are permitted to operate from a dwelling provided that the following conditions are met (see Section 10 of the Regulation):

- The location is named on the registration certificate and approved by the Registrar.
- The registrant provides proof that carrying on business from the dwelling meets the local municipality's zoning requirements.
- The business's telephone number is listed under the registrant's business name, and is different from any residential telephone number.
- Arrangements satisfactory to the Registrar have been made to provide access to the registrant's business records.

Continued on page 8...

# TICO'S pledge

Several years ago, TICO's Board of Directors committed to providing this annual reminder to all registrants. By displaying your laminated copy of the Code of Ethics prominently, you will be reinforcing your values and principles to your staff, your suppliers and, most importantly, your clients.



## CODE OF ETHICS

The *Travel Industry Council of Ontario (TICO)* strives to provide a fair and informed marketplace for consumers. TICO strongly encourages all Ontario registrants to comply with the following Code of Ethics, which targets the values and principles that are in keeping with this objective.

**INTEGRITY:** Conduct our activities with honesty, dignity and fiscal responsibility, always protecting and promoting the best interests of our clients.

**DISCLOSURE:** Communicate material facts to our clients; supply accurate and complete information in a clear and understandable manner to assist consumers to make informed decisions in their choice of travel services.

**MARKETING:** Refrain from using any form of misleading advertising or innuendo in marketing products and services.

**COMPETITION:** Practice fair and open competition and refrain from unjustly criticizing competitors, their products and services or their business methods.

**ACCOUNTABILITY:** Fulfill all contractual obligations promptly and completely. Respond to legitimate complaints without delay. Maintain accurate and complete records of all client transactions and safeguard consumer monies.

**COMPLIANCE:** Abide by applicable laws and regulations and never knowingly do business with those operating outside those laws. Registrants are required to ensure that all employees and other sellers of travel associated with the Registrant are conversant with all aspects of the *Travel Industry Act, 2002*, the Regulations and this Code of Ethics.

**COOPERATION:** Cooperate with any investigation/inquiry by the Registrar or TICO staff to resolve any problems or disputes as soon as possible.

**COMPETENCY:** A registrant is responsible for the competency of all staff.

**RESPECT:** Treat all people with equality and respect.

**CONFIDENTIALITY:** Treat every client transaction confidentially. Do not disclose any information without permission of the client, unless required to do so by law.

**CONFLICT OF INTEREST:** A Registrant's first responsibility is to its clients and the clients' best interests. Any commercial gain and/or preferred relationships between a Registrant and suppliers will at all times be secondary. ▲

## Minimum education standards: an update

As most of you are aware, TICO - in collaboration with the Canadian Institute of Travel Counsellors - had hoped to finalize the study manual covering the travel counsellor curriculum by the end of January. The manual, which will focus on the provisions of the *Travel Industry Act, 2002* and Ontario Regulation 26/05, is not yet completed; its purpose is to ensure that all those in Ontario who are selling travel directly to the public understand their obligations according to the legislation. Registrants will be informed as soon as the manual is available. The minimum educational requirements will not come into effect until July 1, 2008.



## Travellers' protection initiative on hold

Following the recent federal election, the proposed amendments to the *Canada Transportation Act*, via Bill C-44, are now up in the air. Last summer, TICO spearheaded the Travellers' Protection Initiative to push the government to strengthen Bill C-44's inadequate passenger protection. TICO and the other members of the Travellers' Protection Initiative intend to watch the situation closely, in the hopes that ultimately revised legislation will put the rights and interests of passengers ahead of those of the airlines.

# Upcoming Issues

In future issues of *TICO TALK* we plan to include:

- Overview of the Travel Industry Act, 2002 Minimum Education Standards
- Further analysis of the Legislative and Regulatory changes
- Notice of the Annual General Meeting

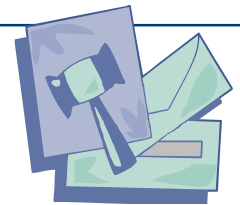
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## Court matters



### CONVICTIONS

As was reported in the last issue of *TICO TALK*, Jasen Earle Plunkett, carrying on business as Access Travel Services and Access Vacation Services, was convicted of ten counts of acting as an unregistered travel agent, contrary to **Section 3(1)** of the *Travel Industry Act*. Plunkett was sentenced to six months in jail for all ten counts. However, upon appeal, and after serving almost four months in jail, Plunkett's sentence was reduced to two days.

### REVOCATIONS

Between November 14, 2005 and February 2, 2006, five companies had their registrations revoked: PJ Travel Inc., 585119 Ontario Inc. o/a Seven Oaks Travel (retail registration only); Uwing Travel Inc., Vera Oppong o/a Anytime Travel; and Air K Travel Inc.

### PLEASE PAY ATTENTION!

Whenever you receive written communications from TICO, and particularly from the Registrar, either by courier or by mail, we strongly suggest that you read it carefully and respond immediately. Not doing so may be extremely costly, in time and money. For example, as detailed in **Section 14** of the *Travel Industry Act, 2002*, a person whose registration is refused or revoked must wait 30 days before they can reapply for registration. (They may only reapply if there is new or other evidence available, or if material circumstances have clearly changed.) Which means that if a registrant loses its registration, it will be out of business for at least 30 days (see **Section 7** of the Regulation). ▲

*A Primer on the Rules for Outside Sales Representatives continued from page 6*

#### Money transactions

Any consumer monies received by the outside sales representative must be made payable to the registered travel agency. All funds collected must be deposited directly into the registrant's trust account.

#### Invoices and receipts

After the travel services have been sold, the outside sales representative must promptly provide a statement, invoice or receipt, issued by the registered travel agency, to the consumer. **Section 38 (1)** of the Regulation outlines in detail all the information that must be included.

#### Advertising

Representations for the sale of travel services must include the registered name, address and registration number of the registrant, and must not include a residential address or phone number.

#### Registrant responsibilities

It is up to the registrant to ensure that their outside sales representatives comply with all the provisions outlined in the Act and the Regulation. ▲