

TOWN HALL MEETINGS:

MARK YOUR CALENDAR!

DESPITE the speed and efficiency (generally) of high-tech communications, nothing quite beats face-to-face meetings. With this in mind, TICO will hold a series of open Town Hall meetings across the province, beginning on November 26th in London. Our intent is partly to update registrants on some of TICO's current programs. As importantly, it is an opportunity for you to meet with TICO President & CEO Michael Pepper and to ask any questions that you may have.

Mr. Pepper and TICO staff plan to focus on two main issues. First, you will learn how to utilize TICO's Consumer Awareness Campaign and travel agent promotional materials in order to promote your travel business and to drive consumers to your agency and/or your website. Promotional materials will also be provided to all attendees.

Second, it will be a chance for you to learn more about the Education Standards Programme that will come into effect on July 1, 2009. We will clarify who has to write the exam and discuss how Education Standards will raise the bar and promote professionalism in Ontario's travel industry.

The third component of the evening will be a Q&A session with the Travel Registrar. Do you have questions that you would like answered, or any issues that you would like to discuss?

DATE & TIME	CITY	LOCATION
Wednesday, November 26th 6:00 p.m. – 8:30 p.m.	London 401 & Wellington	Ramada Inn 817 Exeter Road Churchill B
Thursday, November 27th 6:00 p.m. – 8:30 p.m.	Ottawa	Monterey Inn Resort 2259 Prince of Wales Drive Rideau Room
Monday, December 1st 6:00 p.m. – 8:30 p.m.	*Toronto	Toronto Congress Centre 650 Dixon Road Sorel Etrog Room

TICO will be arranging Town Hall meetings in Sudbury, Thunder Bay and other areas around the province, to be held in 2009. The dates and locations will be announced in the New Year.

*Please note that at the Toronto meeting only, Douglas Bower, Manager, E-Business with the Government of Ontario will describe a range of e-business initiatives underway within the Ministry of Small Business and Consumer Services, with special emphasis on the travel industry.

Attendance at the Town Hall meetings is free and all members of the travel industry are welcome. We would like to strongly encourage you to attend one of these sessions. This is your opportunity to find out more about issues that will have a real impact on your livelihood. As well, we want you to have your say, and to ask any questions that you may have. Please plan to be there! ▲

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Glendon College, York University
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EX OFFICIO

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

LETTER FROM THE CEO



We are now well into the fall season and entering a period of uncertainty with the global economic climate affecting all sectors of business. It will no doubt be a tough winter as the economic downturn will likely make consumers cautious about parting with their money. All agencies will need to be extra vigilant in looking after their business affairs, paying close attention to sales figures, margins and overheads to assist in making proactive operational decisions to get through the difficult times ahead.

Weathering the storm may not be easy but TICO is here to assist you. While regulation can seem cumbersome, the fact that regulations exist in Ontario and that there is a body ensuring that standards are adhered to can provide some peace of mind to consumers, particularly during uncertain times. The existence of an industry-financed Compensation Fund as well as TICO's Education Standards, which will come into effect in July of 2009, can be promoted to bolster consumer confidence in dealing with Ontario registered travel agencies.

Further, TICO's new Consumer Awareness Campaign encourages consumers to book their travel with a TICO registered travel agency because of the consumer protection provisions in Ontario. We urge travel agencies in the province to use the new TICO window decal and the promotional materials available to derive benefits from the campaign for your businesses. More information on how to make TICO's Consumer Awareness Campaign work for you will be provided at the Town Hall Meetings that TICO will be conducting in various locations around the province. I want to personally encourage all registrants to come out to a meeting. I know that it is a busy time of year but it is a great opportunity to meet and to discuss any issues or questions that you may have.

Wishing you all a safe and happy winter season,

A handwritten signature in blue ink, appearing to read 'Michael Pepper', written in a cursive style.

Michael Pepper
President and CEO

End Supplier Failures: A Primer On What You Need To Know

So far this year, four airlines have suspended operations – Aloha Airlines, ATA Airlines, Oasis Hong Kong Airlines and, most recently, Zoom Airlines. With so much economic uncertainty ahead, it is quite possible that more airlines will join their ranks. Not so long ago, a TICO staff member was shocked to hear from a consumer affected by the failure of Zoom Airlines that his travel agent had told him that he could spend up to \$5,000 on his replacement travel service to return home, as it would be refunded by the Compensation Fund. Not only is this completely untrue; it demonstrates how some travel agencies are still woefully misinformed of some crucial facts, in what is an extremely serious situation. Please read the following carefully, and if you have any questions, please contact TICO immediately.



What does the Compensation Fund cover?

The Compensation Fund covers only the non-provision of travel services purchased from an Ontario travel retailer, when the travel services are not received due to the bankruptcy or insolvency of either an Ontario registered travel retailer or travel wholesaler, or due to the cessation of an airline or cruise line.



When is a round-trip or partially used ticket fully refunded?

If one of your clients purchases a round-trip airline ticket and the airline ceases to operate before the client has left home, he or she would be refunded for the total cost of the ticket. If, however, the client had already commenced their trip and reached their destination, and had to purchase replacement travel services to return home, they would only receive a refund for half of the cost of the original ticket purchased.



Who pays for any extra expenses?

If a client incurs additional expenses in a destination due to the failure of an airline, the Compensation Fund will NOT cover these expenses.



What happens when a travel retailer packages air and land arrangements?

If a travel retailer puts together an inclusive package that includes more than one travel component, with the intention of promoting and selling it to clients at one package price, and the airline collapses, the retailer will a) be responsible for paying for those

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Confidentiality assured

Under Section 35(1) of the *Travel Industry Act, 2002*, every person employed in the administration of the Act shall preserve secrecy in respect of all matters that come to that person's knowledge in the course of their duties, unless the release of such information is permitted by law.

Generally, when TICO is questioned about its registrants, TICO staff will only release the following information:

- Registrant company name
- Trade name
- Address
- Telephone/fax number
- Website address
- Name of supervisor/manager on record with TICO

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.



A look at some recent consumer complaints

There has been a worrying increase in complaints from consumers on certain issues. For example, TICO has received complaints from consumers who were not advised about the penalties that would be incurred if they changed or cancelled the travel services they had purchased.

Every travel agent is required, under **Section 36** of the Regulation, to explain to the consumer any requirements or limitations relating to transfer or cancellation of the travel services, including the range of penalties or other costs associated with transfer or cancellation, and any non-refundable payments. You are also obliged to include information regarding the non-refundable amounts on the statement, invoice or receipt that is provided to the customer. It is acceptable to lump together some of the charges on the invoice, but you must always identify on the invoice any amounts that are not refundable.

Travel wholesalers have a similar obligation, as stated in **Section 38(2)** of the Regulation. This requires travel wholesalers to promptly provide a statement, invoice or receipt to each travel agent through whom the travel wholesaler sells a travel service. The terms of payment must be included in this document.

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Dr. James Savary Director TICO Board of Directors



What is the area of expertise that you are bringing to TICO?



I have always been very interested in the travel industry, both personally, as a consumer of travel services, and professionally, as an economist. My particular interest from a professional perspective has been in regulatory issues. I have been interested in consumer issues for many years and recently prepared written comments for the Consumers Association of Canada on two travel issues important to consumers. One pertained to the complicated pricing structure that is currently practised by both airlines and hotels, which results in the consumer having no idea what the final cost will be. The second issue concerned airline cabotage, and whether it should be allowed or not. (For the record, I am in favour of it, as it would make airlines more competitive and so benefit consumers. However, there are also some valid reasons why it should not be allowed.)

Why is TICO important to you?



TICO should be important to everyone in Ontario who purchases travel services. TICO's mandate – to promote a fair and informed marketplace where consumers can be confident in their travel purchases – is hard to argue against. As well, I appreciate the opportunity to serve on the Board of an organisation like TICO that has regulatory powers because of my own interest in regulatory issues. As an economist, I believe it is in the public interest for the travel industry to run smoothly and efficiently. TICO can help make that happen.

Which TICO committees are you involved with?



As I just joined the Board in May, I have not yet had a chance to participate in any of the committees, but I have been appointed to three – the Complaints Committee, the E-Commerce Committee and the Legislative and Regulatory Review Committee. Each has a very important role to play, and I am looking forward to working on all of them.

What do you consider to be the main challenges facing TICO?



I believe there are two issues. Consumer awareness is hugely important. There are still situations in which a provider of travel services is not giving the consumer sufficient information on how they can be protected. If consumers are not aware of the level of protection available to them, they might not be as firm with their travel agent as they could and should be. TICO's current Consumer Awareness Campaign is a large undertaking, but in the long run I think it should be extremely effective. Since I have been on the Board, I have been asking people if they are familiar with TICO, or with the Travel Industry Council of Ontario, and in most cases they answer no. This campaign should start to turn that around.

The second issue is regulation. While regulation is necessary, the goal should be to keep the regulatory burden to a minimum. This is not easy. I have been most impressed with how hard TICO works to ease that burden, and how the Board always looks closely at the impact of regulations on the smaller registrants. However, although we don't want to make the regulations too onerous, especially for small companies, the travel industry is one that does need strong legislation. And if economic conditions continue to decline, it is likely to lead to significant challenges within the industry – and therefore, for TICO.



Where would you like to see TICO and the Ontario travel industry five years from now?



In the best of all possible worlds, I would like to see a sufficient number of travel service providers in place to create a competitive marketplace – but not so many that some firms become uneconomic and the industry fragmented. It is a tricky balance to maintain, and TICO will play an important role in ensuring a healthy travel industry that provides a competitive marketplace and protects the consumer. It is a heavy mandate!

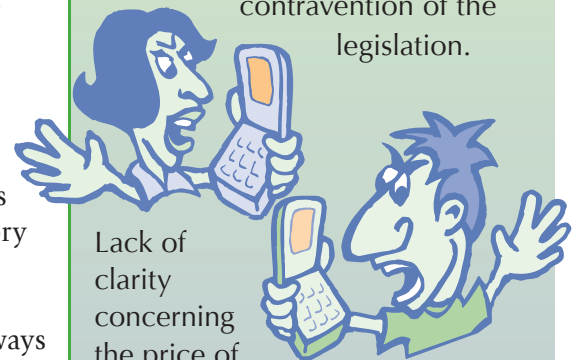
What have been your overall impressions of TICO?



TICO has attracted some excellent people to its Board of Directors, from all sectors. While the travel industry representatives are dominant from a numbers point of view, everyone on the Board is committed to the public interest. Ultimately, on every issue that is discussed, the Board works very hard to reach a consensus. I am looking forward to being able to work with my colleagues on the Board to make TICO even more effective. ▲

A look at some recent complaints continued from page 4

What is of great concern to TICO is the number of travel agents who say that they had not provided this information to their customer because they assumed the client would read this information. This is both a sad reflection on the travel agent's professionalism, and a contravention of the legislation.



Lack of clarity concerning the price of airline tickets is another cause of complaints. For example, we hear from consumers who had purchased, say, an airline ticket for \$900 from a travel agent. When they receive the paper ticket, they notice that the ticket was only \$750, and the extra \$150 was the travel agent's service charge. While they had agreed to the \$900 price, they were not aware that it included the service charge.

In addition, **Section 44** of the Regulation states that travel agents must advise customers of the existence of any counselling fees or service charges prior to counselling or selling travel services to the customer. The travel agent must also advise whether the counselling fee or service charge is refundable or not. This conversation should take place upfront, not after the client has made a decision to purchase.

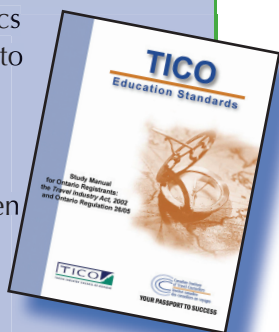
Don't leave it until next year!

We cannot encourage you enough to plan to take the Education Standards exam this year... there is still time! A free download of the Study Manual can be obtained from both www.tico.ca and www.citc.ca. Don't forget that the absolute deadline to meet the Education Standards by anyone selling or providing advice for the purpose of selling travel on behalf of a registrant is July 1, 2009.

Despite our best efforts, some registrants are still under the mistaken impression that TICO is administering the Education Standards programme. As we have explained frequently, it is being administered by CITC on behalf of TICO. While TICO has FAQs on its website, questions around arrangements to write the exam must be addressed directly to CITC.

To date, 1,606 people have taken the Travel Counsellor Exam, 19 people have taken the Supervisor/Manager Exam, and 126 have taken the combined Travel Counsellor/Supervisor/Manager Exam. Perhaps the following statistics of those who chose to complete the post-exam survey on the overall difficulty of the exam will be seen as encouraging:

- Very easy – 2%
- Somewhat easy – 6%
- About what I expected – 55%
- Challenging – 27%
- Very challenging – 3%



Consumer Awareness Campaign: Motivating and Mobile

People travelling in downtown Toronto over the past few months have had their day brightened by the sight of a cute little dog – Tico – wearing goggles, cavorting along the side of a long blue streetcar beside a couple of snorkellers. During a cold, wet fall, it has offered a cheery vision, and one that we hope will intrigue them enough to find out more about TICO! Their search will quickly take them to www.tico.ca where, as they follow Tico's journey around the globe, they will also discover how to ensure their own travels are as protected as possible. A television ad campaign in the same vein has been designed to entice curious travellers to the web site.



By combining strong visuals with a compelling storyline, TICO is creating an excellent base for registrants – both retailers and wholesalers – to build upon and tell their own story... that promotes the benefits of purchasing travel services through you! TICO has tried to make it as straightforward as possible. Just go to our website and click on to the Consumer Awareness Toolkit, found under the TICO Registrant section. Here you will be able to download the TICO logo in various formats, which we encourage you to use on all of your promotional materials. You will also find an e-ticket stuffer to use when you are sending e-tickets to consumers, and several examples of wording for you to consider using in your brochures, invoices, advertisements and on your website.

And a final reminder... TICO recently mailed out the new window decal to all registrants. If you have not received one, or would like another, please contact us at tico@tico.ca or 1-888-451-TICO and it will be sent to you. ▲



Court Matters

► CHARGES

Serwat Naz Ahmed and Dreamworld Travel & Vacations Inc. were charged with one count each of failing to maintain trust accounting, contrary to **Section 27(3)** of Ontario Regulation 26/05, made under the *Travel Industry Act, 2002*. Dreamworld Travel & Vacations Inc. had been previously registered under the *Travel Industry Act, 2002* and the registration was terminated on August 15, 2007.

Rose Scurti and MRV Enterprises Inc. o/a Uniglobe Intrigue Travel were charged with one count each of operating as a travel agent without registration, contrary to **Section 4(1)** of the *Travel Industry Act, 2002*. MRV Enterprises Inc. o/a Uniglobe Intrigue Travel had been previously registered under the *Travel Industry Act, 2002* and the registration was revoked on March 28, 2008

► CONVICTIONS

Ning Wang o/a Jianing Travel Services was convicted of one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr Wang was fined \$1,000, which is payable within three months.

1482228 Ontario Inc. o/a Nile Travel and Milad Daoud were each convicted of five counts of acting or holding themselves out as being available to act as a travel agent without being registered as such, contrary to **Subsection 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Milad Daoud was fined \$5,000 and is subject to a two-year period of probation. The probation order details that Mr. Daoud cannot be employed in the travel industry in any capacity without the permission of the Registrar; that he must complete 100 hours of community service; and that he must reimburse customers in the amount of \$1,408.35. 1482228 Ontario Inc. o/a Nile Travel received a suspended sentence.

Shaheedan Ali (Susan) was convicted of 14 counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Ali was sentenced to a two-year period of probation that included paying restitution to consumers in the amount of \$26,400.

Alves Travel Inc. and Mariana Alves were convicted of two counts each of failing to maintain trust accounting, contrary to **Section 27** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Ms. Alves was sentenced to a two-year

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A reminder... when a natural disaster occurs

With the hurricane season still underway, registrants have legal obligations to meet when there is a change or cancellation of travel services due to the occurrence of a natural disaster, or when damage has been sustained to properties in an area where a natural disaster has occurred. An advisory can be found at www.tico.ca that explains in detail what these obligations are. The key sections are **Sections 39 and 40** of Ontario Regulation 26/05.

If the accommodation sold to a customer is not in the same condition as described at the time of sale, **Section 39** requires the registrant to offer the choice of a full and immediate refund for the amount paid for the package – or the accommodation only – or a comparable alternate package or accommodation that is acceptable to the customer, including all fees, levies, service charges, surcharges, taxes and other charges.

Section 40 outlines the events for which the registrant must promptly notify the travel agent or customer, and then offer the customer the choice of a full and immediate refund or comparable alternate travel services acceptable to the customer.

The registrant must record what information was communicated to the customer and when, what method of communication was used, and what choice the customer made.

Upcoming Issues

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

- Update on the Consumer Awareness Campaign
- Progress of the Travellers' Protection Initiative
- Report on TICO's Town Hall Meetings

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tickets and b) not be able to claim for them from the Compensation Fund. This is detailed in Section 46 of the Regulation, which requires that registrants who acquire rights to travel services for resale must reimburse the customer or provide alternate travel services acceptable to the customer in the event the supplier fails to provide the services paid for by the customer.



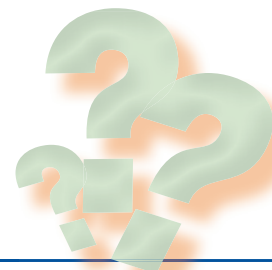
What if clients have requested group arrangements?

For example, if a client asks a retailer to buy twenty tickets for a group to fly together to Italy with X Airline, and to make land arrangements for the group's stay in Italy, the retailer WILL be covered by the Compensation Fund as long as the group's money has been used to make that purchase, and each component is sold separately.



Don't forget the wholesaler's responsibility!

If a travel agent has purchased airline tickets for a customer through an Ontario wholesaler, you should immediately call the wholesaler to see whether they have made alternate arrangements. In a recent situation, a client was told by a travel agent to simply go to the airport and see what flight they could get. This was not good customer relations, and in fact, if the travel agent had checked, they would have found out that alternate arrangements had been made by the wholesaler for their client to return home, (as required under Section 46). As a result, the client would not have had to incur the additional cost to return home. ▲



Court Matters continued from page 7

period of probation that includes restitution to TICO in the amount of \$25,800, and 100 hours of community service. In addition, she is not allowed to be employed in the travel industry without the written permission of the Registrar. Alves Travel Inc. received a suspended sentence.

► REVOCATIONS

Between August 5 and November 3, 2008, ten companies had their registrations revoked: Guilzi Nick o/a Lina's Travel & Tours; Fern's Travel Agency & Custom Tours Inc.; Lifedream Travel & Tours Inc.; Canworld Travel & Tours Inc.; Euromed Vacations Inc./Vacances Euromed Inc. o/a Austrian Vacations; Vacances Eurosol Holidays; Vistatour Vacances Holidays; Macsha International Limited o/a Macsha Travels & Tours; 1761752 Ontario Inc. o/a Canadian Travel; and Nugget Travel & Tours Inc. ▲