



IATA AGENTS ASSOCIATION OF INDIA

Central Secretariat

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To : All IATA Accredited Travel Agents in India

Dear All,

Sub : **The very existence of travel agents threatened**

The income from the sale of air tickets has been completely eroded on account of several internal and external factors. There is neither agents' commission nor the 'glorified' transaction fee. The airlines are thriving and flourishing with the PLB model through the consolidators and OTAs.

Today, the very survival of an ordinary travel agent is under great threat.

A permanent solution to this ongoing problems is the need of the hour. The airlines need the support of travel agents for promoting their business. And in India, more than 80% of the international passenger traffic is through traditional travel agent. Though the airlines accept this very fact, certain vested interests do not want to remunerate the agents for their work.

In order to draw a line in the P & L account, many airlines interchanged "commission" as a "distribution cost" and treated "PLB" as a "Marketing expense", which of course forms an essential component for sales promotion. Certain vested interests translated **agents' commission as a charity and replaced transaction fee as a tool for remuneration**. And many agents accepted the transaction fee as an easy 'money minting machine' rather than depending on a fixed income based on fare.

From year 2008, IAAI is looking for a permanent solution. And, today, with the Order from Hon SC, we MUST find out a lasting solution. Earlier, the DGCA had unambiguously defined that "Commission cannot be replaced by Transaction Fee". This is the only chance for the ordinary travel agents in India to get their remuneration as a statutory right.

Hence, based on the directive from the Division Bench of the Hon. Supreme Court of India in Civil Appeal # 8771 of 2012, DGCA Order No. AV.26012/2/2008-TE dated 5th March 2010 in compliance of direction of Hon'ble High Court of Kerala in Contempt

Case (Civil) No. 186 of 2010 as well as Writ Petition W.P. (C) No. 16551 of 2009 filed by IATA Agents Association of India against the zero commission policy, the Indian Aircraft Act 1934 and Aircraft Rules 1937 and the latest DGCA Order dated 17th December 2012, **IAAI has already initiated strong action and as the first step made an appeal to all airlines operating in India to pay our remuneration as commission effective from 24th Jan 2013 as follows:**

- 1- **AI, 9W, GF, WY & EK** to enhance present commission of 1 % to 5% on gross and include same in the base fare.
- 2- All **Foreign airlines** operating in India paying zero commission to re-instate commission at 5% on gross and include same in the base fare.
- 3- All **LCCs** must introduce payment of agents' commission at 5% on gross and include same in the base fare.

And as the next step, simultaneously IAAI shall be incorporating the latest DGCA Order of 17th Dec 2012 and Hon Supreme Court direction on 23rd January 2013 in our present appeal case before the Division bench in the Hon. High Court of Kerala to seek justice in bringing back the rightful remuneration due to the travel agents i.e., Agents' Commission.

Friends, IAAI will take every possible steps – legal, political and social- and leave no stone unturned in getting back the Agents' Commission as the rightful remuneration, keeping the interest of the Travel Agent Fraternity in India with topmost priority.

With warm regards,

Biji Eapen
National President

V.L. Jaghannatha
General Secretary

S. Saldanha
National Treasurer



A Trade Association by the agents for the agents