



# IAAI Newsletter

April 2015, 1st Fortnight Issue

## IAAI Circular

### Travel Agency Commission

On 13<sup>th</sup> April 2015, we had a third round of Meeting at Cochin with Jet Airways officials headed by Mr. Rajeev Nambiar (VP Sales), Mr. Ashok Bariman (VP-Legal ), Mr. V. Raja (Head S. India) & Mr. Muralidas Menon (GM Kerala) on the terms and modality of Agency Commission payment, IAAI being represented by Mr. Biji Eapen and Mr. Girish G. (President –Kerala State).

Happy to inform you that Jet Airways Team proposed that they are ready to pay 3% Commission on gross fare (base fare plus fuel surcharge) under the “OC” charge code and to be termed as “Agency Remuneration” instead of “Commission”, provided IAAI withdraws the pending case against 9W in Kerala High Court. ( In our Writ Appeal No 275 of 2013, Hon Division Bench of Kerala High Court, through an interim order, restrained AI & 9W from collecting “Transaction Fee” or any amount over and above the ticket fare, as agreed by TAAI & TAFI to compensate the reduction of 3 % Commission to 1% effective July, 2013 and the case is pending hearing. )

From our side, we explained to them that the Aircraft Rules 1937, Clause 135 para 54(a) and the DGCA directives dated 24<sup>th</sup> July 2009, both stipulate very clearly that the Agency Remuneration is an integral part of the FARE which forms the “Tariff”. We requested them to enhance the existing 1% to 3% and also explained that, unless Commission is made an integral part of fare component, there will be disparity between the agents’ quoted “tariff” and the fare for airline web sales.

Jet Airways Team however, was insisting on OC charge as they had certain constraints in enhancing the existing 1% Commission to 3% due to certain pricing policies and technical difficulties.

Considering the mutual benefits to Jet Airways as well as to the Travel Agents Fraternity at large, we told them that, for the moment, we can agree in principle with their mode of payment - Agency Remuneration under OC code - but will continue with the Case. This was not acceptable to the Jet Airways Team. It was finally decided to re-work once again for an amicable solution within the legal framework.

Dear friends, at this juncture, please go through the following Court cases and Orders which IAAI has been fighting alone all these years since November 2008 and has arrived up to this level where the Jet Airways has agreed to increase the Remuneration to 3%, but could not achieve the target yet due to the non-support of other Associations and Memberships in general.

- After two public meetings held at Constitution Club of India, Delhi, IAAI succeeded in raising the ‘Commission’ issue in the Parliament thru Ms Brinda Karat MP on 16<sup>th</sup> Dec 2008, leading to Air India reinstating 3% Commission and DGCA amending Aircraft Rules 1937, Clause 137, Para 54(a) on 9<sup>th</sup> January 2009 to include the word “Commission” and ratifying the rule to read the commission as an integral part of the FARE which forms the Tariff.

- Upon Kerala High Court directives in July ,2009, DGCA passed Order on 5<sup>th</sup> March 2010 mandating commission as per Aircraft Rule 1937.
- IAAI impleaded in FIA case at Delhi HC and received Order from MoCA on 16<sup>th</sup> September 2013 mandating commission as an integral part of the fare .
- Kerala HC Interim order banned Transaction Fee collection by AI & 9W on 18<sup>th</sup> Feb 2013(case pending).
- Kerala HC Case against DGCA to implement their orders of 5.3.2010 & 16.09.2013 (pending judgment).

In between, we had filed 2 Contempt of Court cases against DGCA and also received legally supportive orders as below:

- DGCA advisory dated 17<sup>th</sup> December, 2012 (banning Transaction Fee).
- Supreme Court Order of 23<sup>rd</sup> January, 2013, banned “Transaction Fee” or any other form.
- Public warning dated 13<sup>th</sup> February, 2013, from DGCA on Transaction Fee.
- Ministry of Finance forbids collection of “Facilitation Fee or TF” on 5<sup>th</sup> September, 2014.

And please remember, airlines do pay 5% commission to Cargo Agents and are also paying Commission to GDS Companies, GSA's including BSP clearing house as well as courier companies and all such expenses/costs are accumulated in their FARES.

However, the 9% Travel Agency Commission has been reduced to 7% and then to 5%, 3% and finally to ONE per cent or ZERO through the support of vested interests in our own Industry. **Interestingly, PLBs are accounted as “promotional expenses” whereas “Agents’ Remuneration” is treated as “Airlines’ expenses’.**

Yes - it is a prolonged fight since the last 7 years. And, till today, IAAI is fighting alone all the way relentlessly. Friends, we need your primary support to reinstate our own 3% Commission - the Commission we had lost in July 2013. **It is a question of our survival.** Legally, politically and socially, we are on the right path as our demand is just. **SATYAMEVA JAYATE!**

But - it may take some more time to enforce the Law. Since we are working for the entire Travel Agents Fraternity in India – irrespective of any Associations – we earnestly request that each and every Travel Agent should go through this Circular and kindly endorse your comments and views in order enable us to formulate a decision in this regard:

**Please go on following link to register your feedback :-**

**<http://www.iaai.in/feedback/>**

Your mandate is essential for us to take a crucial decision and formulate a strategy to proceed in the matter. Please pass this on to your friends and Associates in the Travel Industry to ensure a wider reach and a larger response so as to gain maximum leverage during our discussions with the Airlines.

Sincerely  
for IAAI National Board

**Biji Eapen**  
**National President**

**D.L. Jekannathan**  
**General Secretary**

**S. Saldanha**  
**National Treasurer**

## Aviation News

### FAA grants Category-I rating to India's aviation safety standards



India's aviation safety ranking has been upgraded by US Federal Aviation Authority (FAA) after fourteen months of close watch- paving the way for Indian carriers to expand their services to the U S & enter in to agreements with Americans carriers through code-share to expand operations.

This move will mainly benefit Air India & Jet Airways. Air India ,which recently became a member of Star Alliance, can now have code-share pact with U S members of the alliance such as United Airlines. Similarly Jet Airways can start code-share with American Airlines, which was earlier suspended after the FAA downgrading last year.

### Airlines may charge passengers for specific seats, extra facilities after new DGCA order



Directorate  
General of  
Civil  
Aviation

Indian carriers are now free to charge all of their fliers extra for choice of specific seats, luggage, and use of airline lounges, among other facilities. Airlines, which were allowed to set aside only a quarter of their seats for such differential pricing, can now charge all customers for these facilities, according to a March 23 circular by aviation regulator , the Directorate General of Civil Aviation . The new rules, which unbundled these services, are in line with global practices, and could boost earnings from ancillary revenue streams for Airline firms. In June 2013, DGCA had capped the number of preferred seats for pre-booking at 25 per cent of the overall capacity on domestic flights. The facilities under the ambit of differential pricing include charges for services, including preferential seating, meals, snack, drinks (except drinking water), check-in baggage charges, carriage of sports equipment, musical instruments, and free for special declaration of valuable baggage.

## Aviation News

### Jet Airways enhances code-share agreements with Garuda Indonesia & Vietnam Airlines

**JET AIRWAYS**  Jet Airways (India) Ltd. has expanded its code-share agreements with Garuda Indonesia and Vietnam Airlines, the flag-carriers of Indonesia and Vietnam, respectively. Jet Airways will place its code, 9W on Garuda Indonesia flights operating between Singapore and Bali Denpasar in Indonesia. Guests travelling on both airlines will be able to fly between various points on connecting flights operated by the carriers, effective April 20, 2015, as per a release. Jet Airways currently code-shares with Garuda Indonesia between Singapore and Jakarta.

Similarly, Jet Airways will place its code on Vietnam Airlines' flights operating between Singapore and Phu Quoc Island and vice versa, effective April 15, 2015. This is in addition to the existing code-share flights with Vietnam Airlines between Bangkok, Hong Kong, Singapore, and Hanoi - the capital of Vietnam. Jet Airways offers services to Ho Chi Minh City through Bangkok from its hubs in Mumbai and Delhi.

### flydubai starts service on Chennai-Dubai route



flydubai has started operating three weekly flights between Dubai and Chennai. With this service, Chennai is now the eighth destination on flydubai's route network in India. The Chennai service will see flydubai operate a total of 29 weekly flights between Dubai and India.

FZ447 departs from Dubai International Terminal 2 at 22.05 hrs local time, landing in Chennai International Airport at 04.00 hrs local time. On the return leg, FZ448 departs Chennai International Airport at 04:45 hrs, arriving into Dubai at 07:35 hrs local time.

Economy Class return fares from Chennai start at Rs 14,000 including 20kg checked baggage, while Business Class return fares will start at Rs 29,900 and are inclusive of all taxes and 40kg checked baggage. Economy Class return fares to Chennai start at AED 900 including 20kg checked baggage, while Business Class return fares will start at AED 2,100 AED and are inclusive of all taxes and 40kg checked baggage.

Sri Lankan Airlines added a fourth service on the Colombo-Chennai route from 15 April 2015. The new daily flight will each feature bespoke services, in-flight entertainment including a combination of Tamil language programmes and signature Sri Lankan Airlines hospitality services.

## Aviation News in brief

- India's national carrier Air India and Adria Airways, the flag carrier of Slovenia, have entered into a Free Flow Code-share Agreement effective March 2, 2015. Adria Airways would code-share as a marketing carrier on Air India-operated flights on the Delhi-Frankfurt sector and Air India would code-share as a marketing carrier on Adria Airways-operated flights from Frankfurt-Ljubljana. The agreement would enable better connectivity and more competitive fares for passengers looking forward to travel on the route.


- Vistara plans to expand its fleet size and start flying to overseas destinations within two years. The airline, a joint venture of Singapore Airlines and Indian conglomerate Tata Sons Ltd, made its debut in January, pitching itself as a full-service premium alternative for passengers willing to pay more than for the budget carriers that handle two-thirds of India's travellers today. Vistara is looking to procure new narrow body and wide body aircraft to increase domestic flights and begin flying to the Gulf and eventually to Europe and the United States.


- In order to allay the confusion generated over biometrics mandated by India for certain countries, Ministry of Tourism, Government of India has proposed to the government to consider biometrics at arrival airports in India.


- A direct daily flight service from Delhi to Dimapur in Nagaland via Kolkata, will be starting from April 15, 2015. This is in addition to the daily flight from Kolkata to Silchar that resumed on March 20. Indigo Airlines will operate this flight.


- Oman Air has launched four flights a week between the Omani capital of Muscat and Goa. Goa is the airline's 11th destination in India, and the service meets the demand of leisure travellers for the destination. The new destination is the latest to be announced as Oman Air undergoes a major expansion, which will see the airline increase the size of its fleet from 30 in 2014 to 70 by 2020. Oman Air will also be adding destinations to its network, as well as increasing frequencies on many established routes.


- Jet Airways (India) Ltd. has entered into a code-share agreement with airberlin. This development will see Jet Airways placing its code 9W on airberlin's AB daily flights to Berlin (TXL) and Dusseldorf (DUS) from gateway point Abu Dhabi. Jet Airways operates 12 daily services to Abu Dhabi from 11 Indian cities.





## Aviation News

### Passengers can change flights 'mid-air' in future

Scientists are planning to shape nuclear-powered planes that may allow passengers change flights mid-air and jets refuel in the sky. The next generation of air travel would allow passengers to be delivered to the behemoths via smaller planes, along with their luggage. Engineers are also working on "flying petrol stations" that could enable non-stop flights. Refueling in the skies would cut the amount of fuel planes need for take-off, when they are heaviest, making them better for the environment. The concept has been tested with the help of professional pilots using simulators but have yet to try anything in flight.

## Rail News

### Wake up Call service from IRCTC



You can now use a facility to get a wake-up call on your mobile from a call centre of the Indian Railway Catering and Tourism Corporation (IRCTC), half-an-hour before the scheduled arrival at your station. All you need to do is dial 139 and select the option for 'Destination Alert' on the Interactive Voice Response (IVR) system. The passenger-friendly initiative was announced in the Rail Budget

After you enter the PNR number, it will be verified and a request will be set up. You will receive a call saying 'your station is arriving' 30 minutes before the destination arrival time. The facility can also be exercised by talking to the customer service agent on 139 or on SMS. The syntax for the sms is ALERT <PNR NUMBER>, after which the system will send a response sms in the form of "Dear user, DESTINATION ALERT call has been set on <Mobile number> for <Destination Station number> for train number <Train number> on <Journey date>.

The other system that is already in operation is the mobile based alarm alerts. "Suppose a person is going to Madurai and he wants to meet a friend at Tiruchy railway station. He can use the alarm facility for a reminder. While the actual facility would be free of cost, Rs. 3/- would be charged if it is activated through SMS.

## Hospitality News

### Free Wi-Fi to be made available at Taj Mahal, Khajuraho



Bharat Sanchar Nigam Limited (BSNL) has started the process of installing Wi-Fi at tourist spots. After Varanasi, now Taj Mahal and Khajuraho are set to get the free Internet service this week, possibly with additional services. The Tourism Ministry plans to use this facility to provide information, and even interactive content, about the location. The government is keen on tackling low Internet penetration in the country by introducing public Wi-Fi hotspots to enable users to surf the web, check e-mail, and bank online. About 25 such hotspots would be set up around tourist locations by June 2015.

### Government to make mobiles ring up to Amarnath cave



The Home Ministry is ensuring mobile connectivity for the entire route of the Amarnath Yatra which starts in June this year.

BSNL will make all efforts to provide interrupted and efficient mobile connectivity during the 2015 Yatra and will enable roaming facility to private telecom operators in postpaid during the Yatra period. Further, the Home Ministry is considering extending roaming facility for prepaid SIM cards during the Yatra. The Home Ministry has asked the Telecom Ministry to provide satellite phones and VSAT connectivity at camps at the Holy Cave, Panjtarni, Sheshnag and Sangam, these services being critical for the conduct of Yatra.

## Hospitality News

### Delhi's new tourist attraction 'Signature Bridge' to be ready in March 2016



Delhi is likely to soon house the Signature Bridge at Wazirabad. The Bridge is being built with a view to make it a tourism hub and is also likely to ease traffic. The main bridge, with a contemporary architectural design and international standards, is likely to be completed by March 2016. It has been proposed to create water bodies, parking areas, promenades, and winding walkways, making complete use of the existing topography and features of the eastern and western banks of the Yamuna River. The bridge has a conceivable potential to develop recreational facilities for encouraging tourists to visit the site.

In the second phase of the construction, there is a proposal to develop a tourist destination that will have facilities for activities like water sports and boating, along with an amphigallery and panoramic viewing points along the bridge. The bridge can also be used for film shoots.

British hospitality group IHG that owns Crowne Plaza properties is looking to build hotels in India on the airport hotel model, in line with the Crowne Plaza Changi Airport hotel in Singapore. The Indian government's recent decision to extend visa on arrival to tourists from 180 countries and plans to develop new airports in smaller key cities and world-class convention facilities has given impetus to these plans.





## Hospitality News in brief

- **Marriott Hotel Group opened its 28th property in India, with the launch of its mega hospitality project in Mumbai – the 585 keys JW Marriott Hotel Mumbai Sahar. Located at a distance of just a kilometre from T2, Chhatrapati Shivaji International Airport Mumbai, the second JW Marriott property in India's financial capital is positioned as a premier luxury business hotel.**



- **Taj Group has opened a luxury hotel, Taj Dubai, located in the Burj Khalifa downtown area. Accommodation at Taj Dubai includes a total of 296 rooms, comprising Taj Club Rooms, 16 Junior Suites, and 15 Luxury Suites with panoramic views of the Burj Khalifa, dancing fountains, and Dubai Mall. The new property features its members'-only private club for the first time outside of India. Chambers has been created to suit the needs of discerning business traveller and membership is by invitation only. It entitles guests to benefits such as private dining, bespoke conference, and business facilities. The culinary offerings at Taj Dubai include Tesoro, which offers Peruvian-themed cuisine for lunch and dinner and an international breakfast within a glass and metal conservatory area; Kui's al fresco setting, with the Burj Khalifa on the backdrop; The Eloquent Elephant, an informal gastro-pub with tapa's style dining; Byzantium Lounge, an art-deco-inspired venue that offers light bites and afternoon tea, with cocktails in the evening; and Bombay Brasserie, the Indian restaurant that is located on the fourth floor with views of the Burj Khalifa.**



- **Hyatt Hotels and Resorts recently announced the official opening of Hyatt Regency Ahmedabad, the second Hyatt-branded property in Ahmedabad and the first Hyatt Regency-branded hotel to open in Gujarat state. Strategically located in the city centre, Hyatt Regency Ahmedabad is within walking distance of the Sabarmati riverfront, only 20 minutes from the airport and in close proximity to the business and shopping districts. The hotel offers: 210 spacious rooms, including 19 suites; large meeting space options for corporate and social events; and multiple dining options to suit every occasion.**



## Visa News

### Indians benefiting most from Bahrain's new visa policy



Indian businessmen and tourists have seen the greatest benefit of Bahrain's new visa policy according to new statistics released by the Kingdom. Indian nationals have been able to apply for eVisas from October 2014, and since then have been issued more eVisas than visitors from any of the other countries made eligible by the changes in regulations. Data from October 2014 to February 2015 reveals that 752 Indian nationals received eVisas to the Kingdom of Bahrain, 33 per cent of the approximately 2,300 eVisas issued to nationals from 32 newly eligible countries. The government of Bahrain has also announced a second phase of updates to the Kingdom's visa policy, which will allow Indian business visitors and tourists to spend longer periods of time in the country. From April 1, 2015 business visas will be valid for a month and are multi-entry, whilst visitor visas are valid for three months and are also multi-entry. Indians residents in the GCC will also be eligible to receive multi-entry visas on arrival or through online application, making it easier for expatriates living in the region to travel to Bahrain.

## World's 10 Best Airports for Baggage Delivery as per (As per survey by Skytrax)

### 1. Kansai International Airport, Japan

This airport has never lost a bag since it opened in 1994. Airport staff are also commended for meticulously placing suitcases on the carousels with handles facing out to help passengers pick up their bags easily

### 2. Hong Kong International Airport

### 3. Changi Airport, Singapore

### 4. Taiwan Taoyuan International Airport

### 5. Incheon International Airport, South Korea

### 6. Haneda International Airport, Japan

### 7. Copenhagen Airport, Denmark

### 8. Munich International Airport, Germany

### 9. Zurich International Airport, Switzerland

### 10. Narita International Airport, Japan



## Photo Feature

### *Milford Sound, Queenstown, New Zealand*



Milford Sound is a fiord in the south west of New Zealand's South Island, within Fiordland National Park, Piopiotahi (Milford Sound) Marine Reserve, and the Te Wahipounamu World Heritage site. It has been judged the world's top travel destination in an international survey (the *2008 Travelers' Choice Destinations Awards* by TripAdvisor) and is acclaimed as New Zealand's most famous tourist destination.

Milford Sound is incorrectly named, as a sound is in fact a large sea or ocean inlet larger than a bay, deeper than a bight, and wider than a fiord, while Milford Sound is formed by the actions of glaciers. Lush rain forests cling precariously to these cliffs, while seals, penguins, and dolphins frequent the waters and whales can be seen sometimes. The sound has been identified as an Important Bird Area by BirdLife International because it is a breeding site for Fiordland penguins.

The beauty of this landscape draws thousands of visitors each day, with between 550,000 and 1 million visitors in total per year. This makes the sound one of New Zealand's most-visited tourist spots, and also the most famous New Zealand tourist destination, even with its remote location and the long journey from the nearest population centers. Almost all tourists going to the sound also take one of the boat tours which usually last one to two hours. They are offered by several companies, departing from the Milford Sound Visitors' Centre. There is also the option of extended overnight cruises on Milford Sound.



## Open Space

### LIGHTER MOMENTS

**After English Exam,**

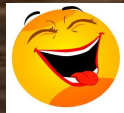
**How was the Paper?**

**It was easy but Question 5 Confused me**

**What was the question?**

**Past Tense of “Think”,**

**I Thought & Thought & Thought  
And Ended up with writing “Thinked”.**



### *Thought for the Fortnight*

*“Take up one idea. Make that one idea your life—  
think of it, dream of it, live on that idea. This is the  
way to success.”*

*— Swami Vivekanand*



## **IAAI Director Board**

- |   |   |   |
|---|---|---|
| 1. Mr Biji Eapen, National President<br>Pvt.                                    | : | Speedwings Travel & Cargo<br>Ltd., Kochi. |
| 2. Mr V L Jekannathan, National Gen. Secretary<br>(Madurai) Pvt. Ltd., Chennai. | : | All India Travel Agency                   |
| 3. Mr Salvadore Saldanha, National Treasurer                                    | : | S V Airlinks Pvt Ltd., Mumbai.            |
| 4. Ms Surinder Kumar, Director—NR<br>New Delhi.                                 | : | Travelmate India Pvt Ltd.,                |
| 5. Mr Rajendra Churiwala, Director—ER<br>Kolkata.                               | : | Survottam Travels (P) Ltd.,               |
| 6. Mr T K Gopakumar, Director—SR<br>Ltd., Chennai.                              | : | Magellan Travel Services (P)              |
| 7. Mr Naresh Rajkotia, Director—WR  | : | Madhura Travels & Tours,<br>Mumbai.       |

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**We welcome your suggestions to improve this newsletter.**

**The same may be forwarded to [iaai.pune@iaai.in](mailto:iaai.pune@iaai.in)**

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can be viewed on the IAAI website : [www.iaai.in](http://www.iaai.in)**