



Member Advisory

FOR IMMEDIATE RELEASE 03:00 P.M. EST, Wednesday, Nov. 18, 2009

ACTA & Ensemble Challenge Commission Shell Game

Mississauga, ON., Wednesday, November 18, 2009 The Association of Canadian Travel Agencies (ACTA) has heard enough and is demanding change. Mr. David McCaig, President and COO of ACTA stated, "Our network of offices has noticed a dramatic increase of phone calls and emails from members, prompting our association to take action against wholesalers and tour operators who appear to have reduced or even hidden commissions". ACTA has consulted with industry leaders and has concerns about a system that has seen many of the tour operators and wholesalers reduce agents' commissionable fees by an astonishing 45% without industry consultation.

McCaig said further, "The systematic plan to shift and hide commissionable fees under the guise of taxes and surcharges denies travel agents and owners access to their rightfully earned income".

Lindsay Pearlman, Executive Vice President and General Manager, Ensemble Travel Group commented "We continually hear this problem being raised by our members as one of the main issues facing the industry today. This practice takes hard earned dollars away from agents and owners who continue to be the back bone of the leisure travel industry."

"We all understand the economic pressures in the business but not providing clarity in pricing undermines the industry's credibility with the consumer and does not recognize the work the agents provide in adding value to the products being sold. This needs to stop now as all it continues to do is erode the value of the products and undermine the ability to deliver them."

A recent comment from an ACTA member brought to light an example of shifting pricing elements away from commissionable line items. "It is mind boggling that a product that was priced just 90 days ago is already subject to a fuel surcharge of \$90.00 when the price of oil has only fluctuated less than \$10US/barrel, a far cry from the highs of \$106US/barrel we saw 14 months ago."

ACTA presented this same need for an agency commission increase to their Canadian airline partners earlier this year and convinced them to augment remunerations. This action came about because ACTA was able to demonstrate the importance of the travel agency distribution model to the airlines.

Annually, travel is a \$27 billion industry in Canada and it is continually proven that front line agents are integral to its survival and deserve to be fairly compensated.

David McCaig urged "as stakeholders members cannot back down from this issue. The argument requires active participation; agents need to stand up for their own net worth."

Agencies have shown their support towards ACTA's position in the form of comments, media briefings and press releases. The exasperation is clearly evident when an ACTA member stated, "Tour operators are being allowed to siphon off millions of dollars by not paying travel agents' commissions. That is our money!"

ACTA MEMBERS STAND UP!

A MESSAGE FROM DAVID MCCAIG

ACTA represents the interests of agencies that employ 18,000 retail travel professionals in communities across Canada. As an influential group, our members need to send letters to representatives of companies who continue to pay proper commission levels on a complete base fare that includes all full charges, thanking them for being true "business partners". Agencies must take this opportunity to remind these companies that ACTA members are hard at work on the front line counseling the public in their choice of leisure destinations and deserve the full commissions they have earned.

ACTA will continue to be extremely strong minded on this issue. Our association is a powerful force when mobilized; we now need the front line agents and owners to demonstrate to the wholesalers and tour operators the value and strength of the travel industry distribution model.

Sincerely,

A handwritten signature in black ink that reads "David McCaig". The signature is written in a cursive, flowing style.

David McCaig

President, COO

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