

RESOLUTION 881 REDUCED FARES FOR CARGO AGENTS

CAC1(27)881(except Expiry: Indefinite
USA)(amended)
CAC2(27)881(amended) Type:
CAC3(27)881(amended)

RESOLVED that, for the purpose of enhancing the professional ability and capacity of IATA Cargo Agents (hereinafter 'Agents') to generate, promote and sell international air cargo transportation, or to handle and prepare consignments 'ready for carriage' in accordance with applicable Resolutions, Members may, at their option, subject to the conditions contained in this Resolution, and subject to the issuing Member's policy, procedures and priorities with regard to reduced fare transportation, grant such Agents international air passenger transportation at a discount.

1. AGENT ELIGIBILITY

an Agent may qualify for reduced fare transportation under this Resolution provided all the following minimum eligibility requirements are met:

- 1.1** at the time of application the Agent shall have been on the Agency List continuously for a period of not less than 12 months; and
- 1.2** at the time of application, through to the time of proposed travel, the Agent must not be under notice of default; or
- 1.3** at the time of application, through to the time of proposed travel, the Agent must not be under suspension.

2. ELIGIBILITY OF PERSON TRAVELLING

a reduced fare ticket may be issued under the provisions of this Resolution to the sole proprietor, partner, director and/or employee of an Agent when they meet all the following requirements; the person travelling must:

- 2.1** have been in the service of the said Agent continuously and without interruption for not less than 12 months immediately prior to the date of the Application; provided that a period of not less than three months' service with the Agent shall suffice where such person was in the service of another IATA Cargo Agent not more than 60 calendar days before commencing his/her present employment, was eligible under this Resolution and this is so certified in writing by the IATA Cargo Agent making the application; and
- 2.2** devote in a full-time capacity all or substantially all of his/her time directly to the promotion and sale of air cargo transportation or arranging consignments ready for carriage, or the control, in a management capacity, of accounting matters relating to air cargo transportation on behalf of the Agent; and
- 2.3** be salaried and/or paid on a commission basis and be shown on appropriate disbursement records of the Agent; and

2.4 in the case where such person's full-time employment is not the Agent's country of registration, work hours not less than those normal for other eligible staff of such Agent, have no other gainful employment and be carried regularly and in good faith on the payroll or other relevant disbursement records of the Agent in its country of registration.

3. SUBORDINATES OF ELIGIBLE PERSONS

the eligibility of a person shall not in itself render eligible such person's subordinates who shall be eligible only if they meet all the applicable requirements of this Resolution.

4. FARE REDUCTION FOR SPOUSE

the spouse of a person travelling under the provisions of this Resolution may also be granted reduced fare transportation provided that:

4.1 the couple travel together from the point of origin to the point of destination in case of one way trips, or to the point of turnaround in case of round trips, or to the highest rated point in case of circle trips;

4.2 the discount granted is not greater than 50% of the applicable fare; provided that the discount shall only be applied to fares on which the discount for Agents provided for in this Resolution also applies;

4.3 under this Paragraph no spouse shall receive more than one reduced fare ticket per calendar year from any one Member;

4.4 such ticket shall not be deducted from the Agent's annual allotment described in Paragraph 5 of this Resolution;

4.5 nothing herein shall preclude a spouse who is independently eligible for reduced fare transportation under the provisions of Paragraph 2 of this Resolution from applying and travelling in accordance with the provisions of this Paragraph.

5. ANNUAL ALLOTMENT AND DISCOUNT

the discounts specified in this Paragraph shall apply to the air fare for the class of service used but may not be applied to special inclusive tour basing fares, provided that when the charge for air transportation consists of a fare and a weekend surcharge, stopover surcharge or peak surcharge, the discount shall be based on the fare and such surcharge but shall not be applied to any other surcharge or charge such as a sleeper surcharge or excess baggage charge.

5.1 an allotment of not more than two tickets for one way, round or circle trip transportation in respect of each Agent registered for a specific country may be granted by each Member per calendar year at a discount not in excess of 75% of the applicable fare;

5.2 where the total international sales eligible for commission of an IATA Cargo Agent exceed the average international sales eligible for remuneration for all Agents in the country of registration, pursuant to Subparagraph 6.1 of this Resolution, additional tickets for such Agent at a discount

of 75% of the applicable fare as provided in Subparagraph 5.1 of this Paragraph may be issued per calendar year, up to a maximum of 40 tickets, as follows:

for each 100% increment of sales eligible for commission or part thereof over and above the average — two additional tickets;

5.3 an allotment of not more than 20 discounted tickets for one way, round or circle trips, for each Agent registered for a specific country may be granted by each Member per calendar year, at a discount not in excess of 50% of the normal fare.

6. DETERMINATION OF AVERAGE SALES

6.1/6.1.1 the Agency Administrator shall determine the average sales eligible for commission for each country based on written reports submitted by the ISS Management in CASS countries, or by each Agent in other countries, of each Agent's total sales of international air cargo transportation eligible for commission. The ISS Management shall compile the sales reports taking into account the transactions processed through the CASS and reports solicited from Members not participating in the CASS setting out the total amounts of sales made by their Agents on their behalf. In so doing, the Agency Administrator shall use only written reports covering sales for a full calendar year,

6.1.2 if the average sales eligible for commission for a country exceed USD 1,500,000 for determining entitlement to additional tickets under Subparagraph 5.2 of this Resolution, USD 1,500,000 will be deemed to be the average,

6.1.3 notwithstanding the fact the written report of an Agent registered in the course of a year shall not be used to determine the average sales for a country, the report shall be used to determine whether the Agent is entitled to additional tickets;

6.2 the Agency Administrator shall determine for each Agent any additional allocation to which it may be entitled under the provisions of Subparagraph 5.2 of this Resolution;

6.3 each Agent's total sales, and the number of such additional tickets, if any, shall be circulated to Members by the Agency Administrator not later than 1 December of each year for use during the following year, e.g. the written reports of Agents' sales eligible for commission for 1981 shall be used as a basis for determining additional allocations during the calendar year 1983;

6.4 all information provided by the Agency Administration to a Member pursuant to the preceding paragraphs shall be treated by the Member as confidential information. Members shall not disclose such information to any third parties and such information shall be used by the Member solely for the purpose of determining the number of reduced fare tickets to which an Agent is entitled;

6.5 the Director General, the Agency Administrator, the Agency Commissioner and the ISS Management, in performing any action pursuant to Resolution 881 and to any other applicable Resolutions, act not as principals but as agents for the Members concerned. Members appointing Agents undertake to indemnify IATA, its officers, employees and other appointees against any liability (including liability for legal costs) for any action taken or omitted in good faith

in the performance of their functions under Resolution 881. Any Member which fails to respect the provisions of Paragraph 6.4 shall indemnify and hold IATA and any other Members harmless from any and all claims or damages resulting from such action.

7. FAILURE TO SUBMIT SALES REPORTS

an Agent who fails to submit by 1 March the written report of his total sales of international air cargo transportation eligible for commission for the preceding calendar year shall not be entitled to any reduced fare international air passenger transportation under the provisions of this Resolution, for the following year.

8. TRIP AUTHORISATIONS

8.1 the Agency Administrator shall furnish each Agent registered in a specific country with numbered Trip Authorisations in the quantity required for reduced fare transportation pursuant to Subparagraph 5.2 of this Resolution, to be submitted by the Agent to the Member issuing the ticket. Such Trip Authorisations shall specify the calendar year within which they are valid, shall bear the name, address and numeric code of the Agent for which issued and subject to Paragraph 12 of this Resolution, may be used for interline transportation;

8.2 a lost Trip Authorisation will not be reissued or replaced by the Agency Administrator, except that a stolen or destroyed Trip Authorisation may be replaced by the Agency Administrator at the request of an Agent on receipt of evidence to the satisfaction of the Agency Administrator that a theft, fire or disaster which caused loss or destruction of the Trip Authorisation had occurred. Should any of the replaced Trip Authorisations be retrieved, these must be returned to the Agency Administrator by registered post;

8.3 the Agency Administrator shall notify all Members of the serial number of any Trip Authorisation(s) replaced in accordance with Subparagraph 8.2 of this Paragraph;

8.4 if usage of Trip Authorisations listed in Subparagraph 8.3 of this Paragraph is discovered by a Member, such Member shall report this fact to the Agency Administrator for appropriate action.

9. APPLICATION FORM AND PROCEDURE

when applying for reduced fare transportation as provided for in this Resolution the responsible official of the Agent shall fully complete and sign the Application Form prescribed in Attachment 'A' to this Resolution and submit it, in advance of the commencement of travel, to each air carrier participating in the itinerary. Where applicable, the application submitted to the first participating carrier in the itinerary shall be accompanied by the Trip Authorisation issued by the Agency Administrator. Each air carrier participating in the itinerary shall be responsible for granting approval and for the arrangements for issuance of their own Traffic Documents on their own services and on the services of another air carrier, if applicable. In the latter instance the Agent, if so required by the ticketing member shall obtain and submit to the ticketing Member the written concurrence of all other air carriers participating in the itinerary.

10. ACCEPTANCE PROCEDURE

10.1 the Member receiving the application need not accept it for processing;

10.2 the Member receiving the Application shall not grant the reduced fare transportation if it knows that the eligibility requirement or other requirements have not been met or if the Application is incomplete;

10.3 the reduced fare transportation may be granted whether or not there is an IATA Cargo Agency Agreement between each Member participating in the carriage and the Agent; provided that such an Agreement exists between the Member issuing the ticket or such Member's General Sales Agent which is an IATA Member, and the Agent.

11. NON-ACCEPTANCE OR WITHDRAWAL OF APPLICATION

if the Member does not accept an Application or if the Agent withdraws the Application, or on its own volition cancels the travel covered by the ticket with no part having been used, the Trip Authorisation, if any, submitted in support of the Application shall be returned to the Agent. Where a Trip Authorisation to be returned has been mutilated or defaced by the Member in handling, it shall be forwarded by the Member to the Agency Administrator who shall replace it. Where the Agent returns a totally unused reduced fare ticket issued pursuant to Subparagraph 5.1 of this Resolution such ticket shall be reinstated to the Agent's allotment with the Members concerned.

12. INTENTIONALLY OMITTED

13. TICKET VALIDITY

13.1 the ticket must be issued in the calendar year of the Application; and

13.2 in no case shall the ticket validity be more than three months from the date of issue.

14. TICKET ALLOTMENT DEDUCTIONS BY MEMBER

14.1 with respect to reduced fare transportation pursuant to Subparagraphs 5.1 and 5.3 of this Resolution a charge shall be made against the Agent's total allotment of reduced fare tickets by each participating Member; provided that where a reduced fare ticket is issued in whole, or in part over a line which is operated in pool, the deduction pertaining to the pool sector shall be made by the pool partner Member issuing the ticket, whether or not that Member operates the actual pool services used; furthermore, where travel is on an interchange service under which the aircraft of one Member operate a through service from points on its routes to points on another Member's routes, under charter to such other Member, the deduction shall be made only by the Member operating the flight when the person travels exclusively on the interchange service;

14.2 an all-cargo active Member shall be entitled to arrange discounted tickets for travel between points served by such Member for each of its Agents as provided in Paragraphs 4 and 5 of this Resolution, over the lines of other Members, subject to all the provisions of this Resolution, except that:

14.2.1 any such discounted tickets, shall not be deducted from the Agent's allotment with the carrying Member as provided in Subparagraph 14.1 of this Paragraph, but from the Agent's allotment with the all-cargo active Member,

14.2.2 notwithstanding the provisions of Subparagraph 10.3 of this Resolution there need not exist an IATA Cargo Agency Agreement between the Member which issues the ticket and the Agent as long as such an Agreement exists between the all-cargo active Member and the Agent;

14.3 an Agent shall not be allowed to reimburse a Member for any reduced fare ticket issued and used for the purpose of reinstating any of its annual allotment for other reduced fare transportation;

14.4 reduced fare transportation performed by a Member as a consequence of involuntary rerouting shall remain deducted from the Agent's allotment with Member(s) participating in the original routing and not be deducted from the Agent's allotment with the Member(s) over which the rerouting occurs;

14.5 no commission shall be paid on the reduced fare transportation provided under this Resolution.

15. BILLING

except as provided in Paragraph 16 of this Resolution, billing shall be effected not later than 30 days after the date of commencement of travel. The Agent must, within 15 days of billing, pay to the issuing Member the remittance due. If the Agent does not remit within such 15-day period, the delinquency and/or default procedures, otherwise applicable to the Agent under the provisions of Resolution 801r, Reporting and Remittance Procedures, shall apply.

16. BILLING WHERE ISSUANCE PRECEDES CONCURRENCE OF PARTICIPATING AIR CARRIERS

notwithstanding the provisions of Paragraph 12 of this Resolution, it shall be permissible for a Member, where one or more participating carriers'concurrences have been requested but have not been received prior to departure date, to issue the ticket, subject to the following conditions:

16.1 the ticket is issued not earlier than ten days after the Application for the reduced fare transportation has been received and the Agent gives a written guarantee he will pay, within 15 days of billing by the issuing Member, the full applicable fare for each sector for which a concurrence has been rejected; the Member must render such billing within 30 days of the date of receipt of any such rejection;

16.2 the Agent must, within 15 days of billing date, pay to the issuing Member the remittance due. If the Agent does not remit within such 15-day period the delinquency and/or default procedures, otherwise applicable to the Agent under the provisions of Resolution 801r, Reporting and Remittance Procedures, shall apply.

17. CHANGE IN ELIGIBILITY

if at any time prior to commencement of travel there is a change affecting the eligibility of the Agent or of the person on whose behalf the Application for reduced fare transportation is made (e.g. the Agent comes under notice of default,

is suspended or the person leaves the employ of the Agent), the Agent shall immediately so notify the Member whose ticket is issued and shall immediately return the ticket to that Member. The travel approval granted by the Member shall no longer be valid; provided that the Member shall be responsible for cancelling the reduced fare transportation only if it knows or reasonably should have known of the changed eligibility. Whenever the provisions of this Paragraph are applied, the retrieved reduced fare ticket shall be reinstated to the Agent's allotment with the Member(s) concerned and where applicable the Trip Authorisation should be returned by the issuing Member to the Agency Administrator for replacement. The issuing Member shall notify concurring Members accordingly.

18. RETROACTIVE APPLICATION

notwithstanding the application in advance requirement in Paragraph 9 of this Resolution it shall be permissible for a Member to accept an Agent's retroactive Application where there were exceptional and compelling reasons why the Agent was unable to submit an Application in advance; such retroactive acceptance may be granted if an Application is submitted not later than three months after date of purchase of the full fare ticket, in which case it must be deducted from the annual allotment of the year when the full fare ticket was issued or be supported by a Trip Authorisation valid for the year in which the full fare ticket was issued provided that:

18.1 the Agent is in all other respects eligible for such reduction;

18.2 the Member accepting such retroactive Application shall obtain from the Agent a letter explaining the exceptional and compelling reasons for such retroactive Application.

19. RECORDS

each Agent shall maintain, for a period of not less than two years from the date of Application, and hold immediately accessible, adequate records to substantiate the Agent's certification that a person named in any Application qualifies for reduced fare transportation. Such records shall be open to inspection by a Member to which an Application is made and shall include the following:

19.1 payroll ledger and cancelled cheques, money orders or other proof of payment of salary, wages and/or commissions as well as all deductions for taxes and social security (or equivalent) in the case of an employee eligible as defined in this Resolution;

19.2 cash disbursement books and cancelled cheques, money orders or other proof of payment of salary or other remuneration for services rendered, made in the case of a sole proprietor, partner and/or director, eligible as defined in this Resolution;

19.3 service agreements, contracts, time sheets or other documentary proof of the degree of service required from each sole proprietor, partner, director and/or employee to whom payment of remuneration is shown pursuant to Subparagraphs 19.1 and 19.2 of this Paragraph;

19.4 copies of all Applications accepted by the Member to which the Application was made.

20. LIABILITY FOR ACCURACY OF APPLICATIONS

the Agent shall be solely responsible for the accuracy of each and every Application. Notwithstanding any action taken pursuant to the provisions of the Cargo Agency Rules, in the event that an the Agency Administrator determines that the Agent, in an Application for reduced fare transportation under the provisions of this Resolution, has made a material misrepresentation, the Agent shall be deemed to have forfeited all reduced fare transportation privileges available under the provisions of this Resolution for a period of two years. The Agency Administrator shall notify the Agent and all Members of such forfeiture which shall commence 30 days after the date of the Agency Administrator's notice. For purposes of this Paragraph, a material misrepresentation is any statement in or omission from an Application for reduced fare transportation which conveys or implies that the Agent, or the person on whose behalf the reduced fare transportation is requested, is eligible for the grant of such reduced fare transportation when in fact either the Agent or such person is not so eligible.

21. SURRENDER OF TRIP AUTHORISATIONS

whenever reduced fare travel privileges available in accordance with this Resolution to an Agent are suspended or terminated pursuant to this Resolution or the Cargo Agency Rules, the Agent shall surrender to the Agency Administrator all unused Trip Authorisations and shall account for all used Trip Authorisations. The Agency Administrator may designate a Member to recover such Trip Authorisations and effectuate such accounting. The Agency Administrator shall return such Trip Authorisations to the Agent when the reduced fare transportation privileges of the Agent are reinstated.

GOVERNMENT RESERVATIONS**CANADA**

Nothing in Resolution 203c (now 881), or acceptance thereof shall be construed as limiting in any way the statutory power and duty of the National Transportation Agency of Canada to approve the issue of any and all free and reduced rate transportation by air carriers subject to the Agency's jurisdiction, and under such terms, conditions and forms as the Agency may direct, and that the issuing of such other free or reduced rate transportation shall not be deemed by the International Air Transport Association or any Member thereof to be contrary to any Resolution or Rule of the Association or to the provisions of any agreement to which such air carriers are party as Members of the Association. (10.6.76)

MEXICO

Nothing in Resolution 203c (now 881) will limit in any way the laws or the regulatory authority of the Secretary of Communications and Transport to issue one or more passes for air transportation.



Cargo Agency Conference Resolutions Manual

CERTIFICATION TO MEMBER FOR SPOUSE TRAVEL

I hereby certify that the person named above and accompanying me on the travel applied for is my spouse. I am familiar with the restrictions governing our joint travel as outlined in Paragraph 4 of Resolution 881. I have not received from you a reduced fare spouse's ticket during this calendar year.

Mr/Mrs:

(Signature of passenger named in Application)
