

Open letter to Mr. Alexandre de Juniac

Director General of the International Air Transport Association-IATA

Cries of desperation from a whole section of an industry that you are leading to the scaffold

Mr. de Juniac, Mr. Director General,

Following the COVID-19 pandemic, the community of travel agents (several thousand in Europe) questioned your organisation, IATA, on the arrangements for settlement, refund of cancelled tickets and production of annual financial information.

Reading IATA's response, issued on 17 March 2020 to travel agents, "Update on IATA Billing and Settlement Plan (BSP)", you must have fled our planet, as it is so out of step with reality.

Let me start by giving you an update on what is happening here:

"We are at war," said Mr. Emmanuel Macron.

"This is the greatest challenge for Germany since 1945," said Angela Merkel.

"We are at war against an invisible enemy," said Donald Trump.

Nearly 40 countries have banned or severely restricted access to their territory for our compatriots and Europeans, including our closest allies.

90% of the aircraft in your members' fleet will be grounded by this weekend. Borders, airports and terminals are closed and are closing down every day.

Tens of millions of people are confined to their homes. 900 million children are deprived of school, that is one in two children in the world!

Nearly 25 million jobs are already threatened worldwide according to the first estimates of the International Labour Organization.

The President of the European Central Bank says she "expects a considerable recession in the Eurozone".

It should be remembered that just a week ago we were living on a cloud of blindness and serenity.

The world has changed a lot, you will agree, in a very short space of time.

However, at IATA, "it's business as usual", "keep calm and move along", despite the mobilization and demands for efforts from all sides by governments.

In other circumstances, in other times, I would probably smile about it, because I was taught to smile about everything. Unfortunately, the time of "war" that we are going through is not conducive to derision.

We have to be serious; this is a serious, extremely serious time.

If we have to die (economically) and see a whole section of our industry destroyed, my company and I will die with all the energy we carry within us, with the faith that comes from passion for our profession, with all the resistance of an endurance runner concerning myself and with all the strength that comes from the feeling of injustice.

If my business must die, I will not deceive the trust of my peers, customers and employees. I will never deliberately cause (economic) death. May my peers and employees hold me in esteem if I am true to my promises; may I be dishonoured and despised if I fail to do so.

What will it be like for you, Monsieur de Juniac? A day will come when you, like everyone else, will have to face the balance sheet of your actions and the consequences of those actions.

I do not make threats against anyone, as your organisation does in its own language. IATA's response to agent requests is a warning in IATA language, especially if the agent community were to fail to meet its usual obligations to the organisation.

I predict only this, Mr de Juniac: you will have hundreds of companies, tens of thousands of jobs on your conscience.

In order for the common man to understand what is going on in our industry and the balance of power between IATA and its agents, I will start by setting the scene and explaining what your organization is all about.

IATA is an atypical animal, to say the least. It is an international trade organization and a lobby that brings together 293 airlines, authorized to act in a concerted manner among themselves.

IATA, which represents the exclusive interests of its members, CQFD, the 293 airlines, was described as a "mafia organisation" by Mr Akbar Al Baker, President of Qatar Airways, one of the most eminent members of the organisation, during a meeting with journalists at the Paris Air Show.

Its operation was described as "immoral" by Laurent Magnien, the late President of XL Airways, which was a member of IATA until its bankruptcy.

We, tourism professionals, travel agencies, tour operators, incoming agencies, event agencies, school trip organisers etc., are just simple and modest "approved" agents. It is a privilege that you grant us in return for the commitment to take an oath on the "IATA bible" which are the famous "Resolutions".

These Resolutions, grouped together in the "Travel Agent's Handbook", list all the rules we must abide by. It is useful to specify, for those who do not know it, that these rules are unilaterally voted by the only members of IATA, i.e. the airlines.

IATA has the prerogatives of a monopoly. You therefore have the right of life and death over us. This is what is commonly known as a dictatorship (a regime in which power is held by a person or group of people who exercise it without control, in an authoritarian manner).

I therefore appeal to your organisation's reasoning in the face of the tragically historic situation we are living through. The situation affects all sectors of the industries in the different countries, of course, and particularly that of travel professionals, who are on the front line on the economic front of this invisible war.

It is a cry of alarm, from the heart, a cry of rage, that I am sending you on behalf of the entire tourism industry. I am shouting with all my strength, at a time when we are in the digital age, because it is a cry of distress and despair. I do so in the hope that you will hear us, your humble servants, your "authorized agents" who are the agents of the airlines, as you seem so far removed from reality in these historically serious times.

The community of travel agents has contacted you directly and through its local and European professional representative bodies to ask you to pay particular attention to the timing of remittances. Nothing very exceptional, as you will agree in the present circumstances.

I quote your organisation's response: "IATA recognises that our industry is facing a very turbulent period. IATA understands that this will result in an overflow of refunds to be processed. In some cases, this will result in balances in favour of agents".

No, Mr. de Juniac, this is not "a hectic time". It is a dramatically historic period.

No, Mr de Juniac, it will not lead to an "overflow" of reimbursements to be processed. It is a tsunami that we are facing.

No, Mr de Juniac, it "will not, in some cases, result in balances in favour of the agents". It will be in all cases, for all the agents and simultaneously, as of the 31 March deadline.

You constantly remind us, brandish us and threaten us with IATA Resolutions under all circumstances. No, Mr de Juniac, with all due respect, IATA Resolutions are not gospel words!

With all due respect, I think that you sincerely take us for fools or amateurs. IATA, the organisation you lead, has indeed written (it was necessary to dare to do so) "the BSP payment periods will be kept. Extending the periods will put airlines and agents at a disadvantage. Reimbursements would be delayed if the payment periods were to be extended. ».

It is very kind of you to put yourself in our shoes and pretend to defend our interests.

Unfortunately for us, the reality is quite different. As you are aware, in the face of the tsunami of claims, we do not have the material time to process these claims in real time via procedures and systems, which require intervention for each operation and require technical work on an exceptional scale. What's more, we do this work for our clients, without remuneration.

Moreover, as you know, there are two procedures for processing these famous refunds, at the discretion of the airlines of course:

a. The so-called automatic processing carried out by the agent

These processes are recorded on the entry date. In the current situation, given the explosion of cancellations and reimbursements and in view of the workload of the interventions to be carried out by the agent, it is impossible to process them in real time. These refunds will be deducted from a future invoice. As we no longer sell anything for obvious reasons, our invoices will be negative and we will be faced with a totally new situation, namely that ATA will owe money to all agents simultaneously. What guarantees do you give us that you will be able to reimburse these sums? You demand guarantees from the agents, reciprocity is the least you can do and is legitimate in view of your opaque operation.

We understand all the more your eagerness to change no rule and to oblige us to pay you normally the due dates when we know the second procedure of refunding ... and it is there that the betrayal is characterized:

b. Processing by Request for Authorization for Reimbursement (RAR). This procedure, which can be adopted by companies without prior notice, makes processing times considerably longer and more complex. Under this procedure, refunds are no longer "automatically" passed through the agent but must be the subject of a prior Request for Authorization of Refund (RAR). The time required for the company to study the application is 1 to 3 months, bearing in mind that the company reserves the right to refuse the refund... If and when the refund is authorized, the agent still has the job of processing the refund.

We understand your ploy of demanding payment according to the usual schedule and then doing everything possible not to reimburse us.

The stratagem is already in place, just like these companies, which by chance of the schedule, have very recently changed their refund procedures without notice, just like Air Europa or TAP Air Portugal. We had already been subjected to this practice, which I dare to call rogue by Aigle Azur, a few weeks before we filed for bankruptcy. We are not fooled, Mr de Juniac.

What better illustration of your stratagem and the trap you are setting for us. I take all my colleagues, all our representative bodies at the European level, as witnesses.

While the European Commission has reminded airlines that they must refund cancelled tickets in cash, your members, CQFD, the airlines, when they accept the refund, issue non-refundable credit notes.

As we are obliged to pay for the tickets when they are issued, you capture the cash that you then keep by all possible subterfuge.

To top it all off, your organization, through Mr. Rafael Schwartzman, Regional Vice President for Europe, says, "Faced with a cash-flow disaster, many airlines can only offer an alternative to immediate cash refunds for cancelled flights. »

In short, do as I say, not as I do!

As if that wasn't enough, your organization also reminds us, "in the event of a delay in paying an agent to the SSO, the Agency administrator will exercise its authority and, on a case-by-case basis, will take into account any exceptional factors, while guaranteeing the amounts the agent owes him". Clearly, we will have to provide new guarantees.

What we are experiencing is extreme violence. What you are imposing on us is just as violent.

By your positions, which are light years away from the reality of what is happening around us, you are not only precipitating a whole section of the tourism industry into the abyss, but you are adding shameful and dubious practices, torment and agony to our impending death.

You do not fail to remind us of the resolutions and therefore our obligations in terms of the financial assessments to which we are subjected every year by your organisation. As your organization foresees, the Resolutions provide for "an extension to submit the required documentation for up to 30 days, depending on the circumstances and on an exceptional basis". Failing that, you "offer us the option of providing a cash deposit or bank guarantee".

Even if this may seem laughable in these times when our employees are confined, for the most part on short-time work, therefore without access to the documents necessary to draw up the balance sheets, and our auditors are unable to carry out their audit and certification work, your Resolutions do not suffer any derogation and it is up to us to comply with the famous Resolutions. "Stay calm and move on".

Praise be to God, this dramatically historic situation seems to have at least spared your organization.

If you were to ask my humble opinion, Mr. Director General, I would say that your organization is totally out of date. It is of another age and is behaving well in the way one of your most distinguished members has described it.

I understand your leadership role in defending the interests of your corporation and your members. However, I do not understand why your organization is so out of step with the reality and the absolute urgency into which our world has fallen. Nor do I understand the lack of solidarity and individualism shown by this corporation, while "we are at war".

Everyone must make their contribution to the war effort, act with loyalty, and it would be no different for IATA and the airlines. Your members are already no longer refunding us for cancelled tickets, but you continue to demand payment, rube on nail, for tickets issued, including those that we must cancel immediately after they are issued!

Your members, CQFD, the airlines, will for the most part survive this historical drama, like Alitalia, nationalized in a moment of reason by the Italian government. Italy has freed itself from the rules of the European Union without anyone finding anything to complain about, starting with the European Commission. The other member states will do the same because (major) carriers have strategic assets for the states. Prime Minister Edouard Philippe assured that for Air France, "the state is ready to take its responsibilities".

What about the travel agencies and tour operators, most of which are made up mainly of auto-entrepreneurs, micro-SMEs or SMEs. Who will be interested in their fate?

While a majority of your members have been financed by public funds in whole or in part, none of our businesses have ever benefited from public subsidies. We ourselves, as entrepreneurs, have financed our businesses and the thousands of jobs we represent, complemented by private funding for the lucky ones or for those in a position to do so.

Our employees throughout our profession are mobilized with truly admirable commitment and dedication to manage distress and crisis situations for their clients and companies.

I speak to you in your capacity as an officer of a corporation. I implore you, I implore you, adapt your rules to the reality of today's world and what is happening now and behave with loyalty to your agents.

This is the only way to save an industry and its tens of thousands of jobs, which cannot survive without your contribution to the war effort. Be realistic, show solidarity, adapt your rules with the urgency that the situation dictates and do not crush the small ones through your intransigence, comfortably entrenched behind the Resolutions of your organization and the power of life and death that this gives you over our companies.

I thank you in advance for your kind attention and please accept, Mr. Director General, the expression of my highest consideration and dedication to this industry that I love so much.

Nicolas BRUMELOT

President and co-founder MisterFly

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