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National Commission to Ensure Information and Choice in the Airline Industry

Travel Agents - without us the travel industry would not have achieved the magnitude and size that it has today.

How has the current situation affected us financially and how it has affected the customer? How have the changes the airlines have made, hurt the consumer?

We have all been greatly affected by the changes that have occurred, starting in February of 1995 and culminating with zero commissions earlier this year. Instead of benefiting the consumer, it has caused their prices to increase. Don't be fooled by the low fares we are now seeing due to a large extent, to the current economic situation. These were further exacerbated by the occurrences of September 11 and the pure hassle encountered in today's travel environment. The most obvious cost, of course, has been the fees that we travel agents are now charging, but there are some less obvious costs. The consumer often thinks that he or she is getting the best fares on the Internet, but we can often find better routings and fares and save money at the same time. The attitude, though, of the airlines is to discourage the client from using us. I don't even object to zero commissions as much as to the attitude purveyed by the airlines. Since they no longer have to pay us commissions, why would airlines want to discourage the consumer from using our services other than the fact that travel agents are the best at finding consumers the best routings at the lowest fares? Once consumers are weaned from travel agents, they will then be free to sell the traveler much higher fares. Many of today's travelers are savvy shoppers, but unless they do the same routing over and over, they would have to spend much time to find what is best. Travel agents also have the ability to problem solve for customers when there are schedule changes, which occur with great regularity. When schedules change and cause conflict with other parts of a business trip or vacation, such as later arrivals which may cause missing a meeting, ship or tour, the customer either turns to an agent for help or comes away with negative feelings about travel in general. This is when they decide that it just isn't worth it anymore. When we can intervene on behalf of the customer, this really does help to assuage much of the stress and hostility the customer experiences.

The airlines are masters at playing games – I have noticed that many airfares go down after 5 pm Central Time or 6 pm Eastern Time.

One day it is NW, the next day it is UA.

Fares increase by morning.

This happens each day.

I booked my own daughter to New York. Each evening when I was working late I would check the fares. The fare from STL to LGA non-stop on AA was \$256.50 (up \$20 from the previous

week). I found a brand new fare of \$174.50 on NW connecting in Detroit. I set it up for ticketing the next morning. By morning the fare was \$263. That evening United had a fare of \$216.50. I booked it and set it up for ticketing the next morning. (I don't run airline tickets). By morning the fare was up. I booked AA again for \$256.50 and ran the ticket. By Monday evening the NW fare was again \$174.50. I voided the AA ticket and rebooked the NW ticket. It was gone again. Later in the week my corporate supervisor found the fare again at 5:18pm CDT. We booked and ran the ticket. (Now the AA ticket is \$236.50) I did call AA to match, but they wouldn't because it was a connection, but many times they have the lowest fare in the market. Go figure it? By the way – once you push the button on an Internet site – the ticket is yours.

Changes to fares and flights occur all day long. Changes can even occur in the middle of a reservation. The cost to airlines in under pricing the market far exceeds any commission they have paid us. They often reduce fares by \$50 - \$200 on a whim. We know they want to fill their planes. We could help them if we could work together. All of us have a place in the future of travel. I have known for many years that someday we would be at net fares. I just naively thought that we would have a wholesale price, just as other retail businesses do. I never dreamed that my price would be higher or non competitive with the one the consumer can purchase by going direct to airline web sites.

Though many have predicted our demise, I am here to tell you that the need for travel agents is growing. The travel industry continues to expand and more and more people will be traveling in the next 25 years. If we disappear, who is going to be the voice of the consumer? We are among the lowest paid industries, but are definitely one of the most dedicated. The need for good qualified agents continues to grow, but the airlines want the consumer to believe that we are dinosaurs. I can tell you that we are very busy, and are charging fees for our services, but we are generally small to mid size companies. I have 23 employees, and it is difficult to fight the very companies that we are trying to promote and sell.

All of these little ploys the airlines use has caused cost to increase for customers whether in money or time. The airlines are acting as if we are the enemy. Let me give you another example:

Ex: I purchased AA tickets for a trip to Europe. I called regarding my upgrade. I am a Platinum cardholder with AA. AA informed me that if I purchased my ticket directly from them they could take care of the ticketing and upgrade, BUT if I purchased the ticket from a travel agent, I would have to be inconvenienced and go to the airport to get my upgrade. When I expressed my desire to use my excellent travel agent (my own company), they reminded me again of the inconvenience to me, and how much better they could serve me. Here I as the agent sold the ticket on that particular carrier, and they were trying to shove the travel agency out of the picture.

We are the only major industry where the owner of the product we sell is bad mouthing its sales force. When we need assistance to correct or have help with a problem, we are often treated with disdain. This industry has no regard for its customer, unless you are in its top 3%. The airlines, in general, treat their customers badly. I fly all the time and customers are spoken to in a rude manner and with little concern for people's needs or feelings. When there is a delay or cancellation, customers do not a good explanation of the problem. As an agent, I am often defending the situations the carriers may be in, whether weather, mechanical, or security related.

After I take the time to explain things to the customer, he or she is usually mollified, at least temporarily.

There are many fine people who work for our nations airlines, but the attitude from the top down is one of disdain for travel agents. It is the travel agent who built this industry – one passenger at a time. We took all of the many programs the airlines developed and marketed these to our clientele, often at our own expense. We have worked through airline strikes, weather situations, and terrorism – at no extra compensation. You can say that those things were in the past and we must now work in the future and I do agree that tomorrow is a different day, but the airlines are still using us when it suits them – and disregarding our importance the rest of the time.

We are the voice of the consumer. We rely on repeat business and it is our utmost concern that people are satisfied with our service. It is imperative to us that our customers return. To the airline, customers are only revenue for their stockholders. They do not see them as people, who require personal service. As travel agents, we are concerned about customer service. It is what we are about, and that creates a thorn in the side of most airlines. We do bring value to the equation, as we encourage people to travel. The airlines claim that we do not shift market or grow the business, but I am here to tell you that is not true. My 12 million dollar agency is two-thirds leisure travel and we are working every day to encourage people to travel. We encourage them to see the world we live in for leisure pleasure, education, and a better understanding of other people in the world. We have worked hard to grow the travel industry. The airlines have made travel hard work for the consumer – even well before September 11.

The travel industry is having a hard time recovering because it is shortsighted. In today's environment between fears of terrorism and even more, the economy, the airlines would be smart to utilize the travel agent to help them grow their businesses. We can and do shift market share, and the airlines know it or there would not be back end deals rewarding those that can and do. But the airlines must treat all of us with respect. We are putting bodies on their airplanes and still account for close to 70% of all passengers, yet our revenues have decreased by over 35 to 50% since commissions were lowered or eliminated, starting in February of 1995.

We need to have equal access to web fares – particularly sites like Orbitz. Orbitz has become a way for the airlines to collaborate without being accused of anti trust, but travel agents cannot do the same thing. As fares are net, what difference does it make to any of these entities if we have access to sell and market these Internet fares? In other areas such as debit memos, the airlines erect barriers to a solution. There are many times that airlines will refund a non refundable ticket to an irate consumer and then debit our commission, though they would not have allowed us to refund. In trying to talk to their finance departments, we are again treated with contempt. They have a cavalier “my way or the highway” attitude.

When September 11 occurred Brentwood Travel had clients all over the world. At our own expense we stayed with all of our clients until they were home, working with them each step of the way. Whether by train, plane, car rental, car purchase or whatever means we could find.... We made sure they knew someone out there was concerned and cared about them. We travel agents may be the “little guy”, but we really do make a difference.

I thank you for the opportunity to allow us to represent my fellow travel agents and colleagues here today. As they say, this could happen “only in America.”

