

Alan Richardson,
Manager of Licensing,
Commission for Aviation Regulation,
Alexandra House, Earlsfort Terrace,
Dublin 2.

16 December 2010

Re: Proposed Arrangements for Travel Trade licensing in Spring 2011 / CN1/2010

Dear Alan,

With regard to the above notice as received, we would like to make the following points.

Given the economic problems facing the country as a whole and the number of agents that have ceased trading over the last two years we fully appreciate the importance of the protection of the consumer and that financially this protection is provided by the bond that is put in place as part of our licensing process.

From the "purpose of the notice" it is clear that much of the difficulties in this years licensing round were caused by delays with the collective bond. Whilst we had made use of the collective bond in the past, for 2010 we used a bank bond and had no difficulty in securing same with our own bank. For the 2011 licensing round we will again be using a bank bond and feel it most unfair if we are to be penalised because of the problems with the collective bond.

Whilst we can appreciate that an additional 2 weeks would be of great assistance to the Commission in processing the applications, we feel it unfair to be asked to produced Audited Accounts a month earlier than this year, and a month sooner than anyone whose year end does not fall in December. To get our accounts finalised a month earlier than before would mean firstly persuading our auditors to reschedule us a month earlier, something which they have already informed us that not only are they not keen to do this but that they feel that they would be justified in charging a higher audit fee if they were required to do so – their reason being that staff are all in demand at the same time of year.

We do not wish to spend any more on auditors, margins are tight enough already. The bigger chains may have the financial clout to have their auditors start on January 1 as a big audit means a big fee. For the smaller independent agent this simply is not the case and the only way to secure early audit is more expense. We do feel that something must be done to make the licensing process easier for both the agent and the Commission. Like looking for an early audit, we all look for our licences at the same time.

In an effort to improve the licensing process, why not have agents organise a bond at the same time they apply for a licence i.e. in advance of the "Decision In Principle". We already know both the projected turnover figure and the bond percentage i.e. 4%. Similar requirements are in place for other licensing, for example if we were applying to operate an airline with the Commission

or even a tax with the taxi regulator we would need to show we have the appropriate insurance cover in advance of that application. Is a bond not a form of insurance that protects the consumer?

Contd ...

If the travel agent is already in possession of a bond surely this should make it easier for the commission to approve the agent for a licence, relieving the need to change the deadline for audited accounts forward by a month. We are fully prepared to have a bond in place in advance of the "Decision In Principle" if required i.e. 4 weeks after the application deadline. If an agent cannot secure a bond this surely is an indicator to the Commission as to the financial status of the applicant and that the application needs more looking into.

We trust that you will consider these observations in your review of the licensing process.

Yours Sincerely,

Anthony Kelly
Director

Anthony J Kelly
Managing Director

School & Group Travel Ltd
T/A PAB Travel & Tours
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