



International Tours of Houston

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Dear Travel Entrepreneur:

IT Travel Group has operated as a **HOST TRAVEL AGENCY since June of 1989**. The management of IT Travel Group would like to share with you the following information about our unique support system offered Independent Contractors (IC) via our **HOST AGENCY** operating divisions:

A Host Agency's responsibilities include holding travel industry conference appointments with Domestic (ARC) and International (IATAN) airlines for ticket issuance capabilities, and Cruise line appointments (CLIA) for earning commissions from cruise sales.

International Tours of Houston (ITH) is bonded and holds conference appointments with the following travel industry organizations:

ARC – Airline Reporting Corporation – This conference appoints travel agent business entities on behalf of the Domestic Air Lines and controls the issuance of ticket stock and payment for tickets issued by travel agencies. Minimum appointment criteria: \$20,000 Surety Bond or LOC and agent qualifier with 18 to 24 months agency work experience and Certified ARC Specialist (CAS) certificate.

IATAN – International Airline Travel Agency Network - This conference also appoints travel agent entities for the International Air Carriers and administers the travel agent eligibility list for reduced rate travel benefits.

CLIA – Cruise Lines International Association – This conference represents the majority of the world's cruise lines and administers the appointment process for travel entities to earn commission from their cruise sales.

ITH and staff hold individual and Host Agency- membership in the following travel industry trade organizations:

ASTA – American Society of Travel Agents

ICTA - Institute of Certified Travel Agents

NACTA – National Association of Commission Travel Agents

OSSN - Outside Sales Support Network

PATA – Pacific Area Travel Association

A Host Agency makes available a Global Reservation System link necessary for the independent contractor (IC) to access airline flights, car rental companies, hotels and other travel industry vendors for schedules and booking via the IC'S computer.

Automation: *Amadeus* is a global airline computer reservation system providing IC'S entry to schedule information for over 700 airlines, reservations capability for 450+ and last seat availability on over 300 airlines.

IC'S also may access *Amadeus Consolidator Shopper*, a browser-based solution that enables the user to view and compare consolidator and published prices, purchase the lowest fares, and make reservations via the Internet.

Reservation capabilities are extended to Hotels (50,000+ hotel properties worldwide – largest selection in the industry); Car rentals (50+ car rental companies w/ 19,000 locations worldwide); Cruise; Rail (Amtrak and BritRail); and Tours as well as Health and Documentation requirements for international travelers.

Amadeus Cruise is the newest software added to make the IC'S selling and cruise booking process easier. Amadeus Cruise is an Internet browser-based graphical user software in which the IC may point and click through the cruise sales process.

Amadeus VISTA. This Amadeus Internet based software offers multi-tasking -- browsing the Internet while working in the reservation system. This software works with a Dial-up modem; Cable modem; DSL connection and ISDN lines.

Internet access to Amadeus require the IC to use at-the-minimum, Microsoft Explorer 5.5+ and an Internet Service Provider (ISP); Windows 98 or newer; Pentium III or higher; 64 MB RAM; 32X+ CD-ROM; Any SVGA monitor, minimum 50 MB hard drive; 56K+ baud modem and mouse or equivalent pointing device.

A Host Agency provides a back-office accounting system capable of tracking each IC'S sales, and provides copies of sales invoices for cross checking with commission reports.

IT Travel Group uses the industry recognized *TRAMS* back office accounting software. As each IC enters the Host Agency- IC program, the IC is assigned an account number and agent code. This three-digit account number is then associated to all future sales made by IC and invoiced via ITH. *TRAMS* software will track each sale via the IC account and invoice numbers.

Each invoice consists of 4 parts - White (passenger) Yellow (extra copy) Pink (copy for ITH) and Gold (IC copy). ITH staff would mail to IC gold color copies of invoices to enable IC to establish a "tickler file". When IC receives commission check and report, IC would then match the report against open or active gold invoice copies.

If no commission were received, it would normally be due to the hotel or car rental company not paying during that reporting period. By having your own copies to cross reference, IC can monitor sales records for follow-up with either ITH or the vendor.

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A Host Agency must provide a sound financial commission and fee schedule to enable both parties to be compensated for their time, sales efforts and upfront expenditures to secure new and retain current travel business.

IT Travel Group IC commission schedules are based on the following:

Referral Agent*- 30% of commission paid by vendor on individual bookings
40% of commission paid by vendor on group bookings

Booking Agent**- 70% of commission paid by vendor on individual or group bookings

*Where ITH staff had completed the majority of, but not limited to, the booking/pricing/invoicing/ticketing and processing customer payment on behalf of the Independent Contractor,

**Where IC had completed the majority of, but not limited to, the booking/pricing/ticketing and processing customer payment.

Non-commissionable Sales: Travel vendor sales deemed “non-commissionable” (i.e. Airline published fare tickets and/or net airline consolidator tickets etc).

ITH will retain or require a minimum **\$10.00** transaction processing fee for Domestic travel tickets, and **\$30.00** for International Travel tickets or thirty percent of the charged transaction or service fee, whichever is greater.

IC may & should charge an additional amount over IT'S minimum for their own transaction fee compensation. The total collected fee (less ITH'S minimum) is paid to IC in the monthly or bi-monthly commission checks.

Commission checks are issued by the 15th of each month with a sales and commission report. IC'S producing sales of \$40,000 per month or more are paid commission twice a month. Sales incentive programs are offered on a periodic basis with selective Preferred Vendors offering compensation of air tickets, reduced or free ground arrangements and bonus commissions.

A Host Agency must develop sales relationships with local, regional and national travel industry vendors to obtain bonus commissions for exceptional sales efforts; co-op dollars for advertising and marketing programs to increase sales opportunities for each eligible IC.

Results! Travel – ITH is affiliated with the Results Travel Network, a member of the Carlson Travel Network Associates, Inc., a multi-billion dollar travel company. Results Travel Network offers a comprehensive preferred supplier program, and an aggressive national marketing strategy including access to exclusive cruise and tour products. As a member of ITH'S IC program you have Internet access to the Results Travel Network intra-net site listing the preferred vendors, cruise and tour offerings, commission structure and marketing assistance.

Sales Lead Generation – Houston: ITH is a 11 year member of the Funjet “500” Club, and a Continental Vacations, GOGO Tours and Air Jamaica Vacations preferred agency. Through these vendors' co-op advertising programs in the Houston area, ITH publishes an 800# in which all-new customer ad response calls are immediately forwarded to our participating IC'S on a 24/7-time slot allotment. Customers DO RESPOND from these tag-a-long ads, and new tour and cruise business is booked as **YOUR NEW CLIENTS!**

Note: This is an optional service as participants pay a \$50 per month co-op advertising fee,)

IT Travel Group's list of Service Features for the IC'S benefit!

- **Group Air – CO:** IC'S enjoy the privileges of ITH's *GroupWorks Grandeur* status with Continental Airlines. *Grandeur* status provides a specially trained dedicated group agent to coordinate your group inquiries and bookings and expedited group pricing.
- **Support:** Office hours are 8:30 AM to 5:30 PM CST M/F. Local area IC'S have after hours access to agency via building security card and suite pass-code. IC'S have Booking, Ticketing (w/ITH prior approval), Tour Source, Vacation Access, and Cruise Match accessibility.

ITH internal staff assembles and prepares for delivery ticketed components based on PNR instructions from IC – mail; express; courier or in-office pickup. ITH staff also completes all hand written documents i.e., Prepays; MCO'S; Exchanges and coupons without additional per document handling charges to IC!

IC'S receive a Policy and Procedural manual developed expressly for the ICs and ITH staff to facilitate communications, check & refund requests, etc. ITH'S industry experienced staff recognize and react to the daily miscellaneous changes that occur with a varied IC clientele and their respective customer quirks.

- **Faxing/Overnight Delivery:** Amadeus and ITH offer (at cost) itinerary/invoice-faxing capabilities for each IC via HomePro or Internet booking system. Overnight delivery service is offered with a contracted discount rate structure. ITH does not charge additional handling or management fees for these delivery services.
- **Seminars:** Travel industry suppliers will periodically conduct product knowledge or destination training seminars. These seminars are offered on a local, regional, and national basis and the suppliers may charge a nominal fee for attendance. IC participation in these seminars is voluntary and any fee for attending is borne by the IC. When known, ITH will advise IC by email dates and times for seminars.
- **Your Company ID:** ITH has set up the Amadeus itinerary/invoice printers to print out **your trade name** on *generic itinerary/invoice* 4 part stock; not ITH'S! Therefore *your d/b/a* trade name is always in front of your clients, **not** ITH'S name.

Also, if you provide ITH with a supply of window type mailing envelopes with your company name and address, tickets issued on your behalf will be mailed in your company's envelope to your clients!

- **Communications:** The management of ITH strives to provide to you on your client's behalf the most current industry information. ITH staff reviews all incoming vendor bulletins, faxes, mail and emails, summarizes the material and forwards this summarized material to IC'S.
- **24/7 After Hours Service:** ITH also offers an optional 24/7 emergency reservation service for your traveling clients. This 24/7 service also includes a corporate hotel discount rate program available via Amadeus.
- **Educational Trips:** Educational familiarizations are travel opportunities for IC'S to visit the world's greatest cities and resort destinations. IC'S meeting the qualifications set by the travel vendors, will be able to experience the gourmet delicacies of foreign cultures, and be among the first to sample the next generation of new destinations, airplanes, cruise ships, hotels and trains that you will eventually sell to your clients.
- **IATAN Card:** The International Airline Travel Agent Network (IATAN) is the industry's governing conference in administering the travel agent ID card for travel industry reduced rate benefits. IATAN minimum earnings requirement is \$5,000 per year in salary and/or commissions to be eligible for an IATAN Travel Agent ID Card. IRS form 1099 is issued to each IC at the end of the calendar year.
- **IT Travel Group Merchant Account:** With ITH'S approval, IC'S may process non-ARC credit card transactions via the merchant account. This feature is especially helpful when working with clients who must pay with a credit card for a non-arc sale, i.e. motor coach trip. A merchant

processing fee is charged by ITH.

