



General Information

This section provides general information concerning applications for new ARC Independent entities and for new branch locations.

Refer to Section 35.0 for general information on how to obtain application forms and a description of automated services available for application processing.

Applicants seeking approval as a new ARC independent entity or a new branch location are screened for compliance with the requirements of the Agent Reporting Agreement, contained in Section 80, and the Application Agreement which is part of the application itself. These two documents constitute the agreement between ARC and the applicant during the processing of the application.

Agents may submit applications under the provisions of this section for seven different location types:

1. Independent Entity: An Agency location which will be the applicant's principal place of business as an ARC-approved Agent. If branches are approved at a later date, the independent entity will be redesignated as a home office location. An Independent Entity Application Kit can be obtained from ARC by completing the form attached to the General Information Letter, ARC Form 100.
2. Restricted-access Independent Entity: An independent Agency location that will not be open and freely accessible to the public. Restricted Access locations are governed by Section IV and XVII of the ARA. The restricted-access independent entity application is integrated into the Independent Entity Application Kit.
3. Centralized Service Location: An authorized independent or branch office location whose primary purpose is to allow agent to directly provide, or to utilize another ARC-accredited travel agent to provide, travel services to a specified corporate account or web site account at an approved centralized location. The CSL shall not serve the general public, and the office or space where the CSL is located shall not be open and accessible to the general public and shall not be identified as a retail travel agency.
4. Branch: An additional, full-service, authorized Agency location of an ARC-approved Agent. Such location must be open and freely accessible to the public. The corporate structure or ownership of the Agent's home office and all of the Agent's branch locations (and STP locations) must be identical, absolute and all-inclusive as a single entity. The Agent's home office shall have full legal and financial responsibility for the administration, staff, liability, maintenance, and operational expense of each branch location. Full-service branch applications may be prepared and submitted electronically using the Application Processing System (APS), in a paper/diskette combined format, or in a paper-only format. As mentioned in Section 35.0, the preferred method is the electronic submission, using Internet access to APS or the combined diskette/paper method using the APS Software. Paper-only format using ARC Form 403, if selected by the agent, includes a surcharge to cover the added costs of manual processing.
5. Restricted-access Branch: A branch office that will not be open and freely accessible to the public. Restricted Access locations are governed by Section IV and XVII of the ARA. Restricted-access branch office applications are integrated into the branch application and may be prepared and submitted electronically using Internet access to the Application Processing System (APS), in a paper/diskette combined format, or in a paper-only format. As mentioned in Section 35.0, the preferred method is the electronic submission, using either Internet access to the Application Processing System (APS), or the combined diskette/paper method using the APS Software. Paper-only format, using ARC Form 403, if selected by the agent, includes a surcharge to cover the added costs of manual processing.
6. On-site Branch: A branch office located on the premises of a single client of the Agent for the primary purpose of providing travel services to that client; it is not intended to serve the general public. The provisions of Section IV and XVII of the Agent Reporting Agreement govern on-site branch applications. On-site branch applications may be prepared and submitted electronically using the Application Processing System (APS), in a paper/diskette combined format, or in a paper-only format. As mentioned in Section 35.0, the preferred method is the electronic submission, using either Internet access to APS or the combined diskette/paper method using the APS software. Paper-only format, using ARC Form 405, if selected by the agent, includes a surcharge to cover the added costs of manual processing.



7. Centralized Service Location Branch Office: an additional authorized CSL of an ARC accredited Agent. The corporate structure or ownership of the Agent's home office and all of the Agent's CSL branch locations must be identical, absolute, and all inclusive as a single entity. The Agent's home office shall have full legal and financial responsibility for the administration, staff, liability, maintenance and operational expense of each CSL branch location.
8. Electronic Office locations: The agent may request that a New Independent Entity, (including restricted access designations), branches, (including restricted access designations), and On-site branches, be approved as Electronic Office locations. If such approval is given, the location must meet the following conditions: a) the location will issue ARC traffic documents in electronic format only, report all sales by Interactive Agent Reporting, and validate e-tickets in accordance with the Agent Reporting Agreement (ARA); b) the location must meet all the requirements provided in the ARA, including Section IV for retention on the Agency List. c) The location may not be on the premises of and may not function as a Ticket Fulfillment location; d) the location must be staffed by a person meeting the standards of Section IV.B.2 of the ARA; e) The reservations equipment at the location may not have ticketing system functionality. f) The location may not order, store or issue accountable ARC traffic documents or airline identification plates; g) the location need not comply with Part A of Attachment B, Agent Reporting Agreement, but must comply with Part B.
9. Special Event Location: A temporary branch location to serve the travel needs of customers at a special event (convention, major sporting event) of limited duration, i.e., four weeks or less. A special event location must meet all the requirements of the Agent Reporting Agreement, Supplementary Agreement 3. Special event location applications can be submitted using ARC Form 407.

The New Independent Entity and New Branch Office Accreditation Process

New independent entity applications may only be submitted using the New Independent Entity Application Kit obtained from ARC. New branch applications may be submitted electronically using the Applications Processing System (APS) described in Section 35.0, or in a combined diskette/paper format using ARC APS Software. Paper-only versions of branch applications are processed using the same manual procedures as Independent entity applications. The independent entity and paper branch application process is described in the following paragraphs.

Upon receipt of an independent entity or paper branch application, ARC will acknowledge its receipt.

Applications are loaded into a processing system in chronological order based on date received at ARC.

Applications are reviewed by ARC personnel for completeness and substantive compliance with the Application Agreement and the ARC Agent Reporting Agreement. ARC will advise the applicant of the application status by ARC status letter, and applicants will be advised to provide missing documents, or whether documents are adequate to determine eligibility. Additional documents and information may be requested from applicants to clarify or assist in confirming eligibility for inclusion on the ARC Agency List. ARC will perform necessary administrative actions, including initiating action to schedule an inspection by an ARC-appointed inspector.

Applications containing major errors or discrepancies will either be returned or placed in an "incomplete" status. If an application is assigned "incomplete" status, the applicant will be requested to submit corrections within a specified time frame. Additional status letters or other verbal or written communications will be initiated by ARC as needed throughout the pendency of the application.

For all new applicants, a site inspection and interviews with key Agency personnel are required. All information submitted by the applicant is subject to verification by ARC or the ARC designated inspector. For branch applicants, owners and officers may not need to be interviewed. Agents applying for branches must ensure that bond or letter of credit coverage for the home office is current and sufficient.

When an inspection is completed, the results are returned to ARC for decision review. The entire application and inspection reports are reviewed for accuracy and completeness.

The inspection report is matched with the application and reviewed for discrepancies. If there are no discrepancies and the application is complete, it is placed in a queue for final approval. If the inspection report reveals discrepancies, the applicant will be asked to clarify and/or correct them. If the application is incomplete, the applicant must provide missing or incomplete items. Each application must be complete before it can be approved.



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Form 400 – General Information for New ARC Independent Entities or New Branch Applications

Upon application approval, ARC will provide the Agency (or the home office if the application was for a branch) an approval letter assigning the agency code number, agency identification plate, the Agency copy of the Memorandum of Agreement Card (this card is **NOT** sent when branches are approved) and other informational documents.

At the time of approval, the ARC Document Control Department will order tickets for the Agency.

Approximately 7 to 10 calendar days are required after the approval date for delivery of the initial ticket shipment.

If an application remains incomplete following initial processing and announcement to the carriers i.e., no bond or letter of credit, no IRS document, inadequate response to ARC request for documentation; or, if the application becomes incomplete as a result of the site inspection, i.e., Agency not open, inadequate security, change of qualifier, etc., and the discrepancies have not been resolved by the Agent, the application will be returned to the applicant with a letter of explanation. The applicant is advised of reapplication procedures in the event the incomplete item(s) are resolved.

Should ARC records or background investigation reveal that anyone affiliated with the Agency in any way has concealed or misrepresented, among other things, a felony record, a prior affiliation with a canceled agent or an affiliation with an agent currently in default to ARC, the application will be disapproved. Applicants disapproved for such material misrepresentation will be prohibited from reapplication for a one-year period. ARC may also disapprove an application when investigation determines that the applicant does not meet the requirements for retention on the ARC Agency List under the standards of the Agent Reporting Agreement. Agents whose applications are disapproved are notified by letter of the reasons and advised of the right to have a review by the Travel Agent Arbitrator.

ARC may take up to 90 days from the date that a complete application is received to take final action. An application is not considered complete until the applicant provides all documents and information, and all signatures and notarizations are correctly executed and all requested documents are provided.

ARC will not approve an incomplete application. Applicants are responsible to notify ARC of any material changes to the application while pending. Applications are processed as rapidly and as

accurately as possible while maintaining the integrity of the accreditation process.

Although ARC provides applicant Agencies with information and guidelines, decisions cannot be made for applicants nor can ARC provide legal advice. Agent applicants are informed that, whether the Agent prepares the application or a third party does it on the Agent's behalf, the Agent, as the applicant, is fully responsible for any and all claims, statements, omissions and misrepresentations.

ARC approval of an application does not carry with it a guarantee that the applicant will be appointed as a sales agent by each airline and railroad participating in the ARC program. Individual ARC carrier participants may have requirements in addition to or different from those established by ARC, and individually may choose to withhold appointments from applicants that do not meet those requirements.

The commission and any other compensation paid to Agents by carriers depend on what each carrier and each Agent agree upon privately and directly between themselves. ARC has no role in determining the amount or nature of such compensation and will not involve itself in that process or in any dispute about it.

Whatever terms, rules and/or regulations the carrier establishes govern the provision of free or reduced-rate transportation by a carrier to an Agent and its employees. Eligibility requirements are determined solely by the carriers, NOT BY ARC, and all questions regarding the requirements should be directed to the individual carriers.

The ARC Agent/carrier relationship is one of trust, involving large sums of money belonging to the carriers, and very valuable documents belonging to ARC with the potential to be converted into large sums of money. Consequently, every Agent is obligated to exercise extreme care to secure ARC traffic documents at each of its Agency locations. The value of each individual document is equal to the losses that one could reasonably anticipate if the property were to be lost or stolen. Failure to exercise such care will leave the Agent liable to indemnify ARC and the carriers for resulting losses.