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# Advantage

The National Network of Travel Agents

A World of Possibilities

European Commission  
Directorate-General for Energy and Transport  
Office DM24 5/98  
B-1049 Brussels  
Belgium

23 April 2007

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## Response to CRS Code of Conduct

Dears Sirs,

The National Network of travel Agents (UK) is the UK's leading consortia of TMC's, representing over 200 locations across the whole of the UK.

Following discussions with prominent owners and managers we have compiled the following submission, to represent their views.

Yours Sincerely

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Director of Business Travel

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## QUESTIONS TO STAKEHOLDERS

Response from

The National Network of Travel Agents (UK)

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Compiled by, Norman Gage Director of Business Travel.

100. In view of a possible revision of the Code of Conduct, the Commission invites all

stakeholders to give comments on the following issues:

On a general level:

Q1. In the light of the described market developments, is there still a need for the sector-specific competition rules imposed by the Code of Conduct? Or should the Code of Conduct be revised or abolished?

**Response:** - we believe that a code of conduct should exist, and be in place for a period of three years, during which time there is ample opportunity to review and adjust the code, taking into account the market forces of the day.

Q2. Given the described market developments, has the risk of market foreclosure not reduced and are general competition rules (Article 82 of the Treaty in particular) not a sufficient remedy/deterrent against these risks?

On a more specific level:

**Response:** - We believe that Article 82 covers a broad scope and judgements in another market place may have an unintentional impact on the market place that a CRS Code of conduct sets out to address. We therefore strongly believe that a Code of Conduct is required to deal with the specific nuances of the relationship between Airlines / CRS / TMCs

Q3. Would the air transport distribution market - including small and medium-sized companies involved in the market - be ready for the introduction of greater pricing freedom (such as through the removal of the rules of non-discriminatory fees given in article 10)?

**Response:-**

Q4. Given the changes in the market and in the ownership and control structures of the CRS providers, are the specific obligations imposed on parent carriers still needed? Or should these obligations be reviewed or lifted?

**Response:** - There is defiantly a requirement to control parent carrier direct or indirect ownership of a CRS, or it will leave the door open for a U turn which will then take time to close, during the interim we feel there would be a destabilisation of the market dynamics.

Yes a strong Code of Conduct is still needed to regulate the Airline / CRSs as this is and looks set to be, the primary source of airline content distribution.

Q5. Should airlines remain free to invest in CRS providers and control them or should there be rules that restrict the possibility for airlines or other sectors to control CRSs? Are specific transparency requirements needed for CRS providers that are not publicly listed on a stock exchange?

**Response:** - We believe that airlines should be free to invest not only in the traditional CRS, but also in any emerging electronic distribution channel, providing that they are bound by articles similar to those in place today, and restrict any abuse of dominance and subsequent access to full content.

Q6. Are the provisions given by article 6 of the Code of Conduct to make the data from Marketing Information Data Tapes (MIDT) available to groups of airlines and subscribers still pertinent in the present market context?

**Response;** - from a TMC perspective there can only be one answer to this question "NO"

Q7. Should travel agents' identity no longer be revealed in the MIDT?

**Response:** - We have never supported the ability for CRSs nor any other suppliers, to with out consent of the TMC its travellers nor its corporate clients, to sell on to any 3<sup>rd</sup> party. We firmly believe that a clause must be strong enough to prevent the freedom to distribute such information in any shape or format.

Q8. Are the Code of Conduct's detailed prescriptions with regard to the principal display of a CRS still pertinent in the present market context? Are they still required to ensure a neutral choice? Or can they be simplified or removed? In case stakeholders favour a simplification or removal of these prescriptions, could they – where possible - quantify the reduction in administrative costs that such a regulatory change would induce?

**Response:** - Whilst a neutral display allows a common approach to each content displayed by CRSs on screen, if this clause was omitted, we believe that the display would be governed by an airlines ability to pay or apply undue pressure on a CRS to have its content primarily displayed.

Q9. Would greater pricing freedom with regard to booking fees allow more rail services to be offered on the CRS displays? Do we need additional measures to promote the sale of rail tickets via CRSs?

**Response:** - Pricing freedom alone will not be enough, with the need to easily source comparable travel, and display differential options that will play a part in identifying better use of carbon friendly options. This should therefore extend to a simplified methodology of car rental display and pricing.