



MEMORANDUM

Brussels Airlines' answers to consultation on CRS s code of conduct.

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?

Brussels Airlines believes that despite the described market developments, there is still a need for the some sector-specific rules imposed by the Code of conduct. The current code of conduct needs therefore not to be abolished but revised. As long as some big size carriers will continue to be in one way or an other a parent/share holder of a CRS the code of conduct remains an important regulatory instrument to allow a good balance between all players.

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?

A code of conduct will help prevent competition distortion, as leveraging power of big carriers having big market share will play against the smaller ones.

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)?

Again Here SN believes that its leveraging power is low compare to the bigger carriers producing a huge volume of booking via CRS that can negotiate, therefore some protection is necessary even though that some pricing freedom will be useful. Therefore some adjustment to article 10 is required.

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?

We believe that these obligations are to be **maintained** since the risk of abuses still exists. The current changes in the market do not provide any guarantee to prevent any dominant position's abuses. Maintaining these obligations will ensure that there is no preferential towards any parent carrier accessing technical developments in their GDS s to therefore improve their efficiency against the other ones.

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.

Airlines should have the possibility to invest in CRS like in any other business, but in regard to the specificity of the CRS business and it link with airlines some guidelines should be drawn in order prevent an airline taking over the controlling of such GDS and therefore being



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in the position of dictating the rules. Investing in a business is always link to profit generation and therefore and additional sources of revenues allowing prices policy that can be disadvantageous for airlines not having invest in such CRS for their travel services distribution.

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?

The provisions are still pertinent but need to be re worded/reviewed so that this does not leave any room to misinterpretation, which prevent "group of airlines" from purchasing together, and share the use of the data. Until today no group of airlines has been able to make use of these provisions. The main issue is always linked to how " a group of airlines" is defined.

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

No comments

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?

The provisions on neutrality should remain as this enable an equal level playing field while offering to Travel agents a consolidated and efficient display. A removal of these prescriptions will result in huge development cost to accommodate multiple "tailor displays" which wont easy the work of travel agent. A simplification with the result to improve such display is welcome.

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?

We do not see a more rail services promoted in CRSs being an added value to the CRSs services offers.