

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

Dear Directorate-General for Energy and Transport

Once again the bureaucracy moves in ways unknown and invisible to the those who will be most adversely affected by it. The paper written regarding the possible revision of Regulation 2299/89 on a Code of Conduct for CRSs may be an admirable intellectual exercise by some overpaid analysts who spent months collecting data and formulating this paper, but it does not get to the point and does not clarify what really matters.

The travel industry is vast and complicated and serves millions of consumers, and is worth billions of dollars.

The rich and powerful continue to consolidate power and were it not for regulatory authorities we would see an increase in monopoly practices to the detriment of the consumer.

The smaller players are valuable for their specific products tailored to a specific sector of the market, and need to have a level playing field to sustain competition.

There is a myriad of products on the market which leads to total confusion or simple lack of knowledge on the part of the consumer. The dominant players can take enormous advantage of this.

As in law, real estate, insurance, and other industries with a plethora of choices and means of achieving specific objectives, consumers must rely on specialists to be assured of the best service.

To ensure neutrality the costs of specialized knowledge has evolved so that it is now paid for by the recipient of the service, rather than the service providers.

Now that travel agents are no longer rewarded (in the form of commission payments) by the airlines for selling their products, the travel agents now earn even-handedly with service fees, based on their general and specific knowledge and competency. Consumers are free to shop around for the best advice, and only pay for the best advice. A neutral analyst -- a travel agent -- must have access to all products to be able to provide the best possible information, based on specific needs, to the consumer.

As noted in the report, consumers who have no need of specialized knowledge due to simple roundtrip flight itineraries or hotel reservations based simply on price, the new non-compensated distribution channels of the internet suffice. However, a travel agent is not comparable to a waiter, serving the patron from a preset menu. The travel agent today is a master chef, who using a few basic ingredients (tools, knowledge) can turn out several dozen or hundred variations of what a particular traveller has in mind.

To this end, the consumer must be protected, in that service outlets are fairly and not merely adequately but abundantly supplied with neutral information from the entire travel industry: airlines, including legacy carriers, charters, and "no-frills" airlines; the hotel industry; the rental car industry; tour operator; cruises; health, sport, adventure, alternative living, boating, etc. etc. industries.

Reducing the number of CRS's (or GDS's) would be a huge mistake. Allowing the transportation and service industries to provide only partial or biased information would be a huge mistake. And for the regulatory authorities to succumb to the power and pressure of rich and powerful lobbying forces, rather than adequately considering the NEEDS of the general public, rather than the desires of the accountants, would be the most monumentally stupid mistake imaginable. Please do everything in your power to ensure the viability of the independent travel agencies and preserve and enhance the knowledge base of specialists who cater to the specific needs of individuals, not the masses, and are compensated by the recipients of these services.

As a small independent agency, we have withstood the reduction in bookings due the internet; due war; due SARS; due tsunamis, earthquakes, and terrorists bombings; we have changed our financial

model in response to the airlines sudden and unfair renouncing of commission payments, which resulted in lower costs to the airlines, but no reduction in airfares to the consumers. It was in fact a veiled price increase, with travel agencies bearing the brunt of the misery of the clients. We have watched as fully 1/3 of the traditional travel agencies have had to close and those remaining being subsumed into the huge corporation masses of the travel industry, with concomitant reductions in number of employees, services offered, and an outsourcing to call centers, which results in anonymity and lack of accountability. And we are still here, greatly reduced in sized, burdened with ever-higher taxes, and still managing to provide a needed service to a select few, and willing and able to provide to all. Just without the means to let them know that there is someone on their side, who will provide fair and objective information, which will generally save them time and money.

Why don't you have the brilliant minds who wrote the paper devise a questionnaire to be distributed through the trade press to the travel agents, and give us a proper hearing?

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