

## QUESTIONS TO STAKEHOLDERS

**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?**

CWT feels that there is still a need for sector-specific competition rules to protect against airline double dominance either as an owner of a GDS, or as a non-GDS owner with dominant market share (flag carrier) within their home market. In both situations, an airline could radically affect the competitiveness of the GDS market by choosing not to participate in all GDSs within that dominate market. If an airline were to suspend participation in any of the GDS systems, it would create significant content fractionalization. This fractionalization would cause inefficiencies for agencies and consumers to gain access to all of the relevant data necessary to make a competitive purchasing decision. Solving for these inefficiencies will drive up cost for travel agencies, corporations, and ultimately the end consumer.

CWT also feels that the industry still requires provisions to protect the privacy of the consumers when it comes to their travel data. GDSs should not have the ability to sell MIDT data in a way that is detrimental to the true data owner.

**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?**

With airline ownership remaining within Amadeus, the same conditions remain for these airlines and the GDS as they did when the Code of Conduct was first implemented. As mentioned above, there is also increased competitive risk if flag carriers were to pull out of any of the GDS within their dominant home market. Again, CWT would agree that most aspects of the Code of Conduct could be eliminated, but would look to retain provisions to require participation by airlines in all GDS systems if they own a GDS or maintain a dominate market position in their home market. The consultation paper published calls out the recent activity by U.S. airlines within the market to gain distribution discounts from the major GDSs. The main point of leverage in these negotiations was the fact that airlines would remove content from the GDS if they did not reduce the fees. If an airline was also an owner in a GDS or maintained a dominant market position, it would provide further incentive to remove content and would unfairly tip the scales in negotiation clearly in favor of the airline and the GDS they own.

**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 rule of non-discriminatory fees given in article 10)?**

While CWT does not participate in this sector of the travel industry, CWT believes the market would be ready for greater pricing freedom in air transport distribution. This increased pricing freedom would allow airlines and GDS to differentiate themselves within negotiations based on their mutual value propositions within the market.

**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 review or lifted?**

Again, CWT believes that airline owners of GDSs should still be required to participate in all GDS within the market to ensure full, efficient data distribution and fully informed consumer decisions. Content fractionalization will only increase costs to travel agencies, corporations and the end consumers.

**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 requirement needed for CRS providers that are not publicly listed on a stock exchange?**

CWT would not propose preventing GDS ownership by airlines, if provisions were in place to prevent biasing and other anti-competitive practices. If other sectors could manipulate the competitive nature of the GDS market, CWT would expect provisions to maintain the integrity of the competitive market as well. CWT does not believe the additional transparency is necessary for CRS providers that are not publicly listed on a stock exchange.

**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?**

Given the advent and proliferation of airline alliances, purchasing MIDT data by groups of airlines is absolutely still pertinent. MIDT data is quite expensive and sharing data amongst an alliance makes cost effective sense versus each member airline purchasing the same duplicative data.

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

CWT feels it is critical for this provision to be maintained to protect the privacy of the travel agency, corporation and end consumer. Ultimately, the data the GDS is selling is only enabled by the aggregation of data which the GDS does not actually own. MIDT could continue to be sold if the travel agents identity were still to be masked, which ultimately provides down-line protection for corporations. Also no specific traveler data should be distributed, such as traveler names, contact information, employer information, passport information, etc.

**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?**

While the prescriptions regarding principal displays of a CRS could be simplified, it is important to maintain the integrity of the data to allow all travel agents and end consumers a reliable source of data without requiring an intermediary to remove biasing and provide an efficient view of the data to make an appropriate, well informed consumer decision.

**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 ticket via CRSs?**

CWT believes that this greater pricing freedom would indeed increase the availability of rail offerings within the GDS. The other obstacle that rail companies tend to need to deal with is the complexity of the distribution systems. This requires a significant investment on their part to participate in multiple CRS. For this reason, often the best rail access is only found in the dominant GDS for each market.