

From: Christoph Klenner
Sent: 25 April 2017 10:35 AM
To: Paul Jackson
Subject: Interim report on DCTs

Dear Paul,

Thank you very much for sharing the interim report. We look forward to discussing these important issues further with you and your team, and are committed to playing a continued active part in the process.

Although we do not wish to make a formal and lengthy submission at this stage, I am sharing below a couple of thoughts which intend to put a finer point on some of the findings from an online flight distribution perspective.

On the **visibility of unbundled content**, particularly ancillaries, it is important to note that airlines are often times not making this information available to us, which affects the quality of the comparison and results in consumers facing unpleasant surprises. DCTs have an interest in making this information available to end consumer so as to improve the quality of the comparison service, but in order to be able to do this, airlines would need to be incentivized or perhaps even mandated to share the information where they do not currently do so.

On the **existence of regulation in certain areas** (incl. marketing and distribution of air services), it is important to stress that such regulation, notably the CRS Code of Conduct, could be interpreted as applying to certain businesses and not to others. This could lead to a disparity in terms of display obligations / consumer protections between different business models. For instance, (online) travel agents who obtain air fares through the GDS, are considered subscribers by the Code and as a consequence are subject to certain obligations. Metasearch sites are not *de jure* subscribers, and thus not as such subject to the same rules. This disparity would need to be further studied and eventually fixed in the interest of a level playing field.

On the **narrow MFNs**, where they exist, we would like to stress the balance they create between the interests of suppliers, DCTs and consumers. MFNs are essential to the functioning of many price comparison markets where suppliers have no upfront cost, and the MFNs prevent free-riding by suppliers on the technology and marketing investments made by DCTs.

We look forward to discussing these and other issues further with you, and remain at your disposal in case of further questions or need for clarification.

With Kind Regards,
Christoph

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