

Travel Technology Association: Meeting with the Office of Information and Regulatory Affairs

Friday, March 29, 2024

Travel Tech: Agenda

- I. Introductions
- II. Overview of Travel Tech Membership & Mission
- III. U.S. DOT NPRM DOT-OST-2022-0109
- IV. Summary of Travel Tech's Comments & Recommendations
- V. Q&A
- VI. Thank You





Travel Tech is the voice of the travel technology industry, advocating for public policy that promotes transparency and competition in the travel marketplace, encourages innovation, and empowers traveler choice.

Our Members Include:

- Online Travel Agencies (OTA)
- Metasearch Engines
- Short-Term Rental Platforms
- Global Distribution Systems (GDS)
- Travel Management Companies (TMC)
- Travel Tech Startups, Small, and Midsize Businesses





Our Members



DOT/OST Enhancing Transparency of Airline Ancillary Service Fees

- U.S. DOT NPRM <u>DOT-OST-2022-0109</u> was released on October 20, 2022.
- On January 23, 2023, Travel Tech submitted its <u>comments</u> to DOT.
- On March 16, 2023, Travel Tech <u>provided testimony</u> in the DOT's public hearing on Ancillary Fee Website Display Flexibility.
- On April 6, 2023, Travel Tech submitted <u>supplemental comments</u> in response to the DOT's Aviation Consumer Protection Advisory Committee recommendations concerning the NPRM.
- On Wednesday, September 20, 2023, Travel Tech submitted <u>supplemental comments</u> in response to supplemental comments filed by Airlines for America (A4A). In these comments, Travel Tech refutes A4A's assertion that the DOT rulemaking is unnecessary.

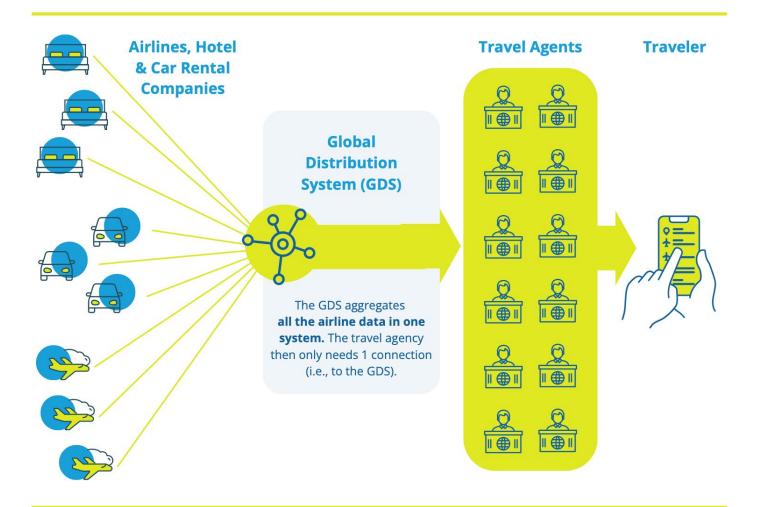
Summary of Travel Tech's Comments & Recommendations



1. Airlines Should Be Required to Provide Ancillary Fee Data to All Ticket Agents and Intermediaries in Final Rule

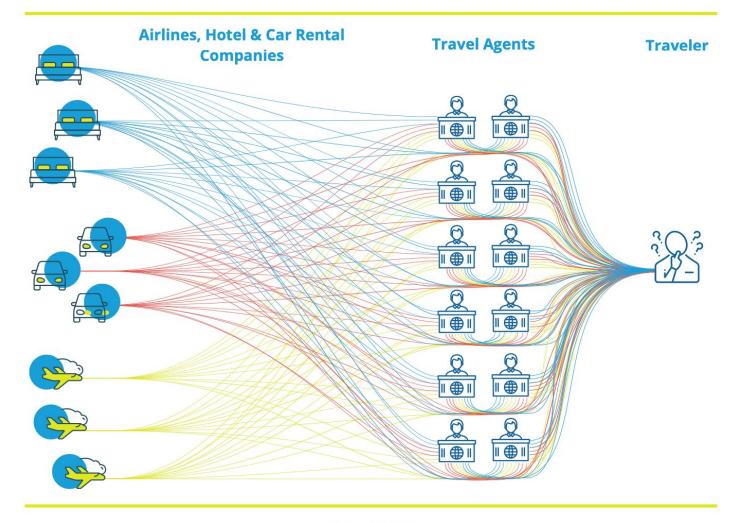
- Proposed Rule would require airlines to provide ancillary fee data to <u>only</u> consumer-facing Ticket Agents, cutting out Global Distribution Systems (GDSs).
- By excluding GDSs and other intermediaries, DOT will force consumer-facing Ticket Agents to recreate GDS technology and efficiencies to receive and match ancillary fee data from airlines with the fare and schedule information provided through GDSs.
- The cost to recreate GDS technology will be an overwhelming, if not insurmountable, burden on thousands of consumer-facing Ticket Agents.
- The amount of time needed to recreate GDS technology will greatly delay the achievement of ancillary fee transparency for consumers.

THE WORLD WITH GLOBAL DISTRIBUTION SYSTEMS



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THE WORLD WITHOUT GLOBAL DISTRIBUTION SYSTEMS



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2. Travel Tech member companies are best positioned to determine how ancillary fee information should be presented to consumers

- Proposed Rule would mandate ultra-specific website design regulations on the "first-page" of airline travel search results.
- Alongside schedule, fare, and pricing information, Ticket Agents would be required to show carry-on and checked baggage fees, change and cancellation fees, and family seating fees in text only all on one page. Rollovers or web links would be specifically banned.
- Deep concern about consumer information overload, most especially on mobile devices, and creation of a disincentive to use price comparison sites to seek competitive airline fares.

3. TMCs should be exempted from the Final Rule

- Proposed Rule asks if Travel Management Companies should be exempt from Final Rule.
- Travel Management Companies enter into contracts with their clients that delineate what airline travel information should be displayed to each clients' employees.
- Therefore, Travel Management Companies already meet the NPRM's goal of providing information to make informed decisions when purchasing tickets.

4. Metasearch Sites are not Ticket Agents and should not be subject to the Proposed Rule's Prescriptive Website Display Requirements.

- While metasearch sites are compilers of flight data, they are not engaged in the selling, providing, or arranging of air transportation services, and do not fall statutory definition of a "Ticket Agent" (at 49 U.S.C. § 40102(a)(45)).
- Proposed Rule seeks to apply its prescriptive website display requirements on metasearch sites as if they were Ticket Agents.
- Doing so would diminish metasearch engines' utility and purpose.

Additional Recommendations

5. DOT Should Adopt Additional Requirements to Ensure Consumers Achieve Full Benefits of the Final Rule

- a. DOT should require that airlines provide fee data to all ticket agents and intermediaries without unreasonable conditions on its use, including re-distribution conditions, and **in a readily usable format.**
- b. To the extent that airlines provide inaccurate fee data or data that is not readily useable without significant processing time and cost or fail to provide any fee data to ticket agents and intermediaries, such ticket agents and intermediaries should not be held responsible for any errors or for any failure to display information that has not been provided.
- 6. The Department Should Include All Seating Fees—not Only Family Seating Fees—within The Scope Of Any Final Rules.
- 7. DOT Should Require All Critical Ancillary Fees Covered By The Final Rules Be Provided in a Transactable Format but Should Not Mandate that Agents Must Sell Any Particular Ancillary Service.

8. Implementation Timeline Must Be Revised.

- Proposed Rule seeks a six-month implementation period before enforcement begins.
- However, if the Final Rule is adopted without the changes outlined above, it will likely take at least two years for consumer-facing Ticket Agents to recreate GDS technologies and redesign Ticket Agent websites and consumer interfaces.



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