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Committee on Transport and Tourism

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*****I**

DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council
on a Code of Conduct for computerised reservation systems
(COM(2007)0709 – C6-0418/2007 – 2007/0243(COD))

Committee on Transport and Tourism

Rapporteur: Timothy Kirkhope

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission.)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. In the case of amending acts, passages in an existing provision that the Commission has left unchanged, but that Parliament wishes to amend, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...]. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). Suggested corrections of this kind are subject to the agreement of the departments concerned.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council on a Code of Conduct for computerised reservation systems
(COM(2007)0709 – C6-0418/2007 – 2007/0243(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2007)0709),
 - having regard to Articles 251(2), 71 and 80(2) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0418/2007),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Transport and Tourism and the opinions of the Committee on Civil Liberties, Justice and Home Affairs (A6-0000/2008) and the Committee on Internal Market and Consumer Protection (A6-0000/2008),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council and Commission.

Amendment 1

Proposal for a regulation
Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) Whereas it is necessary to establish effective competition between participating carriers and parent carriers and ensure respect for the principle of non-discrimination among air carriers irrespective of their participation to the CRS;

Or. en

Justification

The Code should be designed to foster competition whilst preventing discrimination of airlines by CRSs.

Amendment 2

Proposal for a regulation
Recital 5 b (new)

Text proposed by the Commission

Amendment

(5b) In order to ensure transparent and comparable terms of competition in the market, parent carriers should be subject to specific rules when they participate as capital investors in a CRS;

Or. en

Justification

It should be made clear that parent carriers should comply with additional rules, such as those in Article 10, in order to prevent market distortion.

Amendment 3

Proposal for a regulation
Recital 5 c (new)

Text proposed by the Commission

Amendment

(5c) Recourse to EC competition rules and procedures should be provided for preventing any abuse of a dominant position by one or more parent carriers;

Or. en

Justification

Reference to general competition rules should be strengthened. The Code of Conduct complements them, it does not substitute them.

Amendment 4

Proposal for a regulation Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) The use of an unbiased display increases the transparency of transport products and services offered by participating carriers and enhances consumer confidence;

Or. en

Justification

Ranking criteria must be fair and must aim to help the travel agent give the consumer the clearest choice of travel options.

Amendment 5

Proposal for a regulation Article 2 – point (d)

Text proposed by the Commission

Amendment

(d) 'computerised reservation system' means a computerised system containing information about, inter alia, schedules, availability, fares, ***and related services***, of more than one air carrier, with or without facilities ***through which reservations may be made, or tickets may be issued***, to the extent that some or all of these services are made available to subscribers;

(d) 'computerised reservation system' means a computerised system containing information about, inter alia, schedules, availability, fares, of more than one air carrier, with or without facilities ***to make reservations or issue tickets***, to the extent that some or all of these services are made available to subscribers;

Or. en

Justification

The current wording creates confusion with respect to the definition of a CRS and to the related services made available to subscribers.

Amendment 6

Proposal for a regulation

Article 2 - point (g)

Text proposed by the Commission

(g) 'parent carrier' means any air carrier or rail-transport operator which directly or indirectly, alone or jointly with others, **owns** or effectively controls a system vendor, as well as any air carrier or rail-transport operator which it owns or effectively controls;

Amendment

(g) 'parent carrier' means any air carrier or rail-transport operator which directly or indirectly, alone or jointly with others, **participates in the capital**, or effectively controls, **or has the legal right to nominate any executive or any member of the board of directors, supervisory board or other governing body of** a system vendor, as well as any air carrier or rail-transport operator which it owns or effectively controls;

Or. en

Justification

The definition should be clarified and extended to ensure the influence of carriers as a consequence of capital holdings in system vendors is duly taken into account. It is legitimate to conclude that the benefits airlines expect from owning CRSs have more to do with "competition" gains rather than with costs. The risk of abuse is particularly high when a dominant airline participates in a dominant CRS. It would be hard to indicate a threshold over which the risk of discrimination may be presumed. Therefore, the definition should be extended to include airlines that hold any capital in a CRS.

Amendment 7

Proposal for a regulation

Article 3 - paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The existence and extent of a direct or indirect capital holding and the control that such participation confers, on an air carrier or rail-transport operator in a system vendor, or on a system vendor in an air carrier or rail-transport operator, shall be publicly disclosed.

Justification

For the purposes of the application of the provisions contained within Articles 3 and 10 and for reasons of transparency of relationships between system vendors and air carriers, such information should be made publicly disclosed.

Amendment 8**Proposal for a regulation****Article 5 - paragraph 1***Text proposed by the Commission*

1. A system vendor shall provide a principal display or displays for each individual transaction through its CRS and shall include therein the data provided by participating carriers in a neutral and comprehensive manner and without discrimination or bias. Criteria to be used for ranking shall not be based on any factor directly or indirectly relating to carrier identity and shall be applied on a non-discriminatory basis to all participating carriers. The principal display(s) shall respect the rules set out in Annex 1.

Amendment

1. A system vendor shall provide a principal display or displays for each individual transaction through its CRS and shall include therein the data provided by participating carriers in a neutral and comprehensive manner and without discrimination or bias. Criteria to be used for ranking shall not be based on any factor directly or indirectly relating to carrier identity and shall be applied on a non-discriminatory basis to all participating carriers. The principal display(s) shall ***not mislead the consumer and*** respect the rules set out in Annex 1.

Justification

The information provided to the consumer should be comprehensive, neutral and accurate.

Amendment 9**Proposal for a regulation****Article 5 - paragraph 2***Text proposed by the Commission*

2. In the case of information provided ***by a CRS***, a subscriber shall use a neutral

Amendment

2. In the case of information provided ***to the consumer***, a subscriber shall use a

display in accordance with paragraph 1 unless another display is required to meet a preference indicated by *a* consumer.

neutral display in accordance with paragraph 1 unless another display is required to meet a preference indicated by *the* consumer.

Or. en

Justification

More emphasis should be made that travel agents must use the information at their disposal to the benefit of their clients.

Amendment 10

**Proposal for a regulation
Article 5 - paragraph 2 a (new)**

Text proposed by the Commission

Amendment

2a. Flights operated by air carriers subject to an operating ban pursuant to Regulation (EC) n° 2111/2005 must be clearly and specifically identified in the display.

Or. en

Justification

This will facilitate the operation of Regulation 2111/2005 and best secure its objectives.

Amendment 11

**Proposal for a regulation
Article 5 - paragraph 3**

Text proposed by the Commission

Amendment

3. This Article shall not apply to a CRS used by an air carrier, or rail-transport operator, or a group of air carriers, or of rail-transport operators, in its or their own office or offices ***and*** sales counters clearly

3. This Article shall not apply to a CRS used by an air carrier, or rail-transport operator, or a group of air carriers, or of rail-transport operators, in its or their own office or offices, sales counters ***or on their***

identified as such.

own websites clearly identified as such.

Or. en

Justification

This is not the appropriate framework to address issues relating to carriers' own websites.

Amendment 12

Proposal for a regulation

Article 7 - first paragraph - point (b)

Text proposed by the Commission

(b) when such data result from the use of the distribution facilities of a CRS by a subscriber established in the ***territory of the European Union***, it shall include no identification either directly nor indirectly of that subscriber.

Amendment

(b) when such data result from the use of the distribution facilities of a CRS by a subscriber established in the ***Community***, it shall include no identification either directly nor indirectly of that subscriber ***unless the subscriber and the system vendor agree the conditions for the appropriate use of such data.***

Or. en

Justification

Travel agents should be allowed to negotiate freely whether their identities are included in MIDT.

Amendment 13

Proposal for a regulation

Article 7 - first paragraph - point (ba) (new)

Text proposed by the Commission

Amendment

(ba) Agreement(s) between subscribers and the system vendor on the MIDT may include a compensation scheme in favour of the subscribers.

Or. en

Justification

Agreements between travel agents and CRS on the MIDT should provide the possibility of compensation, including remuneration.

Amendment 14

Proposal for a regulation Article 10 - paragraph 2

Text proposed by the Commission

2. The parent carrier shall not be obliged to accept any costs in this connection except for reproduction of the data to be provided and for accepted bookings. The booking fee payable to a CRS for an accepted booking made in accordance with paragraph 1 shall **not exceed** the fee charged by the same CRS **or by its own CRS** to other participating carriers for **an** equivalent **transaction**.

Amendment

2. The parent carrier shall not be obliged to accept any costs in this connection except for reproduction of the data to be provided and for accepted bookings. The booking fee payable to a CRS for an accepted booking made in accordance with paragraph 1 shall **be in line with** the fee charged by the same CRS to other participating carriers for equivalent **transactions**.

Or. en

Justification

The text should clarify that the fee paid by the parent carriers should be close to what others pay to the same CRS (for similar transactions). Parent carriers and CRSs should have some flexibility to negotiate, but this should not lead to systematic competitive advantages, neither for the parent carriers nor for their competitors.

Amendment 15

Proposal for a regulation Article 11 - paragraph 1

Text proposed by the Commission

1. Personal data **shall be processed** in the course of the activities of a CRS **exclusively** for the purpose of making reservations or issuing tickets for transport products. With regard to the processing of such data, a **CRS** shall be considered as a

Amendment

1. Personal data **collected** in the course of the activities of a CRS for the purpose of making reservations or issuing tickets for transport products **shall only be processed in a way compatible with these purposes**. With regard to the processing of such data,

data controller in accordance with Article 2(d) of Directive 95/46/EC.

a **system vendor** shall be considered as a data controller in accordance with Article 2(d) of Directive 95/46/EC.

Or. en

Justification

This enhances legal clarity by using the correct definition (system vendor) instead of CRS, which is not a legal term.

Amendment 16

**Proposal for a regulation
Article 11 - paragraph 5**

Text proposed by the Commission

5. Marketing, booking and sales data made available by a **CRS** shall include no identification, either directly or indirectly, of natural persons or, where applicable, of the organisations or companies on whose behalf they are acting.

Amendment

5. Marketing, booking and sales data made available by a **system vendor** shall include no identification, either directly or indirectly, of natural persons or, where applicable, of the organisations or companies on whose behalf they are acting.

Or. en

Justification

This enhances legal clarity by using the correct definition (system vendor) instead of CRS, which is not a legal term.

Amendment 17

**Proposal for a regulation
Article 11 - paragraph 7**

Text proposed by the Commission

7. A data subject shall be entitled to have access free of charge to data relating to him regardless of whether the data is stored by the **CRS** or by the subscriber.

Amendment

7. A data subject shall be entitled to have access free of charge to data relating to him regardless of whether the data is stored by the **system vendor** or by the subscriber.

Justification

This enhances legal clarity by using the correct definition (system vendor) instead of CRS, which is not a legal term.

Amendment 18

Proposal for a regulation

Article 11 a new - paragraph 1 (new)

Text proposed by the Commission

Amendment

Transparency, Governance and Audit

1. Any system vendor in which an air carrier or a rail-transport operator participates in its capital shall, on a three-yearly basis and, in addition, upon request from the Commission within four months, submit an independently audited report detailing its ownership structure and governance model. Costs related to the audited report shall be borne by the system vendor. The Commission shall examine this report with a view to taking any action necessary in accordance with Article 12;

Justification

Where close links between airlines and CRSs still exist there is a need to ensure transparency regarding these entities' ownership structure and governance model with a view to assisting the Commission in its monitoring of fair competition.

Amendment 19

Proposal for a regulation

Article 11 a new - paragraph 1 a new

Text proposed by the Commission

Amendment

1a. The system vendor shall ensure that the technical compliance of its CRS with Articles 4, 7, 10 and 11 is monitored by an independent auditor on an annual basis. Each system vendor shall submit its auditor's report to the Commission on a three-yearly basis and in addition upon request from the Commission. Costs related to the audited report shall be borne by the system vendor. The Commission shall examine those reports with a view to taking any action necessary in accordance with Article 12.

Or. en

Justification

Restores art. 21a from the current Code but in a simplified way. The obligation for a CRS to provide the Commission with an independent auditor's report is needed to assist the Commission in its monitoring task in order to ensure fair competition. It should target key areas of concern (distribution facilities, non-discrimination and the protection of personal data) and be issued in accordance with agreed guidelines to make end results comparable and easily accessible.

Amendment 20

Proposal for a regulation

Article 11 a new - paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. Any air carrier or rail-transport operator with a direct ownership stake in a system vendor shall on a three-yearly basis and, in addition, upon request from the Commission, submit an independently audited report detailing its involvement with the system vendor and its governance model. Costs related to the audited report shall be borne by the air carrier or rail

transport operator. The Commission shall examine those reports with a view to taking any action necessary in accordance with Article 12.

Or. en

Justification

Where close links between airlines and CRSs still exist there is a need to ensure transparency. This holds particularly true for markets where air carrier or rail-transport operator are increasingly privatized but not necessarily listed companies.

Amendment 21

**Proposal for a regulation
Article 11 a new - paragraph 1 c (new)**

Text proposed by the Commission

Amendment

1c. In consultation with interested parties the Commission shall establish guidelines for the auditor's report referred to in paragraphs 1, 1a and 1b.

Or. en

Justification

Where close links between airlines and CRSs still exist there is a need to ensure transparency regarding these entities' ownership structure and governance model with a view to assisting the Commission in its monitoring of fair competition.

Amendment 22

**Proposal for a regulation
Article 11a new - paragraph 1 d (new)**

Text proposed by the Commission

Amendment

1d. The Commission shall attest the competence of the auditor referred to in paragraphs 1, 1a and 1b.

Or. en

Justification

The responsibility of approving the auditor should lie with the Commission.

Amendment 23

Proposal for a regulation Annex - paragraph 1

Text proposed by the Commission

1. Where fares are shown in the principal display, and/or where a ranking based on fares is chosen, fares shall be inclusive of all applicable and unavoidable taxes, charges and fees to be paid to the transport provider.

Amendment

1. Where fares are shown in the principal display, and/or where a ranking based on fares is chosen, fares shall be inclusive of **CRS costs and** all applicable and unavoidable taxes, charges and fees to be paid to the transport provider.

Or. en

Justification

The rules on inclusive air fares provided in the Regulation proposal on common rules for the operation of air transport services in the Community must be reflected in the Regulation proposal on a Code of Conduct for CRSs with specifications concerning CRS costs.

Amendment 24

Proposal for a regulation Annex - paragraph 6 a (new)

Text proposed by the Commission

Amendment

6a. At the choice of the subscriber, travel options in the principal display shall be ranked either by fares or in the following order:

(i) non-stop travel options ranked by departure time;

(ii) all other travel options ranked by elapsed journey time.

Or. en

Justification

Consumers should be offered the choice of a display ranking according to their needs.

Amendment 25

**Proposal for a regulation
Annex - paragraph 6 b (new)**

Text proposed by the Commission

Amendment

6b. Where travel options are ranked in accordance with paragraph 1 (i) and (ii), and where direct train services, not involving a change of train, are offered on the CRS, at least the best ranked direct train service shall be featured on the principal display.

Or. en

Justification

Where consumers have opted for ranking by most direct connection, they shall have the quickest of each transport mode on the first screen.

Amendment 26

**Proposal for a regulation
Annex - paragraph 6 c (new)**

Text proposed by the Commission

Amendment

6c. No flight may be featured more than once in any principal display.

Or. en

Justification

Needed to ensure efficient principal display by avoiding screen padding and enhancing consumer choice.

EXPLANATORY STATEMENT

The Code of Conduct of Computer Reservation Systems (hereafter CRS) regulates how travel bookings are managed by air carriers and rail transport operators, CRS, and travel agents. The proposal contained in the Commission's Communication aims to reform the Code, established in 1989 by Regulation 2299/89 and modified by the Regulations 3089/93 and 323/99, by reinforcing the competition between CRS. The Code applies mainly to airline bookings, but also applies to rail services that are integrated into an air transport CRS.

This Code of Conduct was created in very different market conditions than the current ones. The majority of airline bookings were made by CRS, which were mostly owned or controlled by airline companies. The Code of Conduct was established to promote transparency and to prevent any market abuses or distortions of competition through a set of *ad hoc* rules. However, the Code is increasingly ill-adapted to new market conditions, the deregulation of other CRS markets around the world, the development of alternative distribution channels, and the decrease of airline ownership in CRS.

Toady the annual market turnover volume generated by the companies providing CRS services is estimated to have a value of nearly 8 billion Euro (DG TREN, 2006) while the European corporate travel market was estimated at 88.2 billion \$ in 2005 (PhoCusWright Corporate Travel Distribution Report August 2006) and is expected to grow at a rate of 11% over the next three years.

Commission Proposal

The main aim of the Commission proposal is that airlines and CRS should be able to freely negotiate the conditions of the distribution of air services. Systems should compete on price and on service quality. Yet it recognises that there should be a balance between the need to allow greater competition and the need for basic safeguards. When consulted interested parties explained that some safeguard rules were still needed: mainly to ensure fair competition in the presence of "parent carriers", to ensure the provision of neutral CRS displays and to guarantee the protection of personal data.

The Commission proposal does not change for the definition of a parent carrier, keeping the dual test of ownership and effective control. The Commission proposal simplifies rules concerning the CRS, especially in respect of their contractual relationship with air carriers, allowing greater freedom to negotiate content and fares. However, with regard to Marketing Information Data (MIDT), the Commission proposes a change to the current Code. By removing the possibility of travel agent identification within this information, the Commission are aiming to prevent possible influence from air carriers on travel agents and their distribution methods.

Key areas of the proposal

Parent carrier rules

In recent years airlines have divested themselves of CRS ownership. One exception remains:

Amadeus. It is owned by three airlines as minority shareholders, Air France, Iberia and Lufthansa.¹ How much strategic influence this ownership gives them is unclear, but it is clear safeguards are needed against potential abuse. Without these it might be possible for a CRS to favour the parent carrier in terms of content, timeliness etc. As far as it is known, today no CRS are shareholders of airlines.

Marketing Information Data Tapes (MIDT)

MIDT is booking data processed and sold by a CRS to air carriers. MIDT data can add significant value to several airline core operations; specifically, sales and marketing, network planning, pricing and revenue management. This can help airlines to understand market trends and competitor information. Due to alternative booking distribution channels the value of this data has been diminishing, as it is not representative of the whole market. Whilst the majority of CRS providers and airlines would like the identification of travel agents to remain available in the MIDT, the travel agents request that this should be removed from the MIDT because it might give airlines the ability to put pressure on the travel agents to reduce their bookings with rival airlines.

Display

The display is the screen used by the travel agent to order the CRS information. The software is usually provided by the CRS to the travel agent as part of their business contract. It is crucial that the information provided by the CRS to the travel agent is neutral and fair.²

Rapporteur's comments

Your Rapporteur believes that the Commission's aim to allow airlines and CRS to negotiate content and fares is a good one. Currently, lack of competition leads to higher CRS booking fees. Under the revision, CRS would have to compete more aggressively with each other for air carrier participation on the basis of lower booking fees and better service quality.³ Your Rapporteur is keen for this central aim to remain intact.

The Commission proposal also provides for adequate protection of personal data, although the amendments to the Commission text proposed by the Rapporteur enhance the legal certainty.

However, some elements of the Commission proposal are unsatisfactory. The **parent carrier definition** (Article 2(g)) is misleading. A recent DG COMP investigation concluded that Lufthansa could not be considered a parent carrier of Amadeus.⁴ Air France, Iberia and

¹ Airline ownership in Amadeus: Air France 23%, Iberia 11%, Lufthansa 11%, BC Partners and Cinven 53%, (EC - DG TREN Impact Assessment, SEC(2007)1496)

² The "principal" display is the initial screen seen by the travel agent, yet its importance should not be overstated, as in most cases the travel agent performs a more refined search using secondary screens.

³ Negotiation freedom typically leads to the air carriers subscribing to so-called full-content programmes by which they provide all their fares to the CRS, in exchange for lower booking fees - Commission briefing March 08.

⁴ In the merger control case M. 3717 of March 16, 2005, DG COMP found Amadeus is jointly controlled by BC Partners and Cinven Ltd. only.

Lufthansa do not now consider themselves parent carriers. In short, each claim these are simply financial investments.

To answer to the very thorny question of why airlines should prefer to be parent carriers despite the burdens imposed by the Code of Conduct, one should note that if the participation of airlines in CRSs' equity in the past could have been justified by their interest to promote the start up of an efficient channel of communication of data to the market, this cannot be justified today. This situation has changed over time as CRSs increasingly became autonomous entities following the divestment of ownership.

It's therefore legitimate to conclude that the benefits airlines expect from owning CRSs have more to do with "competition" gains (i.e. with preferential conditions – or with the risk to be discriminated) and strategic reasons rather than exclusively with costs. The risk of abuse is particularly high when a dominant airline participates in a dominant CRS (e.g. which is the case in the French, German and Spanish markets).¹

Your Rapporteur believes that this should be clarified, and the definition tightened. Although generally the greater the participation in ownership, the easier the possibility to obtain preferential conditions, it would be hard to indicate a threshold over which the risk of discrimination may be presumed.²

In light of this, your Rapporteur advises the Committee not to impose a prohibition or a threshold to the participation of the airliners in the CRS capital, but rather to impose an unequivocal condition: any capital investment in a CRS by an airline should lead to compliance with Article 10. This means that parent carriers of a CRS shall have to provide to the other CRSs the same fare information as to their own CRS. This provides safeguards against discriminations and abuses of dominant position by parent carriers to air carriers or rail operators without ownership stake in CRS.

With regard to **MIDT** (Article 7), the Rapporteur suggests a compromise allowing travel agent identification in MIDT if there is agreement between travel agents and CRS. The Rapporteur suggests a compensation scheme whereby remuneration for the travel agent is exchanged for such identification.

The above proposals should be considered under the fact that we are in a sector with several actors involved, mainly air carriers or rail-transport operators, CRSs, travel agencies and consumers. Since the Commission has not presented any appraisal on its impact assessment on the MIDT, the review should include all elements of travel distribution. Any decision to

¹ . See Elaborated Briefing Note on ' The Revision of the code of conduct for computerised reservation systems (CRS)', European Parliament, 2008, IP/B/TRAN/IC/200X_XX, p. 15.

² In an early case (BAT/Reynolds v. Commission – Judgment 17.11.1987, Case 142 and 156/1984) the Court of Justice held that “*although the acquisition by one company of an equity interest in a competitor doesn't in itself constitute conduct restricting competition, such an acquisition may nevertheless serve as an instrument for influencing the commercial conduct of the company in question so as to restrict or distort competition on the market (...). That will be true in particular where, by the acquisition of a shareholding or through subsidiary clauses in the agreement, the investing company obtains legal or the facto control of the commercial conduct of the other company or where the agreement provides for **commercial cooperation** between the companies or creates a structure likely to be used for such a cooperation*” (par. 37 - emphasis added). see page 14 , op cit.,

legislate on one element of distribution must take into account the relevance and consequences in other areas. For example, if the identification of the travel agencies in the MIDT is restricted as proposed by the Commission, then it may result in a monopoly situation from the existence of a similar system of data marketing from airlines, i.e. the IATA PaxIs.

Provisions regarding the **Display** have been inserted in order, first and foremost, to benefit the needs of the consumer. Ranking criteria must be fair and must aim to help the travel agent give the consumer the clearest choice of travel options. These can be considered as additional safeguards against abuse. Your Rapporteur sees this as an opportunity for the CRS to develop more user-friendly and detailed search options. Finally, provisions on the audit of parent carriers have been inserted to increase the transparency of the sector.