

Mr Tony Tyler
Director General & CEO
International Air Transport Association
33 route de l'Aéroport
1215 Genève 15
Suisse

Brussels / Washington D.C., 6 March 2012

An Open Letter:

Dear Mr. Tyler,

Airlines International: “Distribution – Sum of the Parts”

We are writing to you following the article “Distribution – Sum of the Parts”, which appeared in the February/March 2012 edition of Airlines International, the IATA magazine, and which in our view depicts a fundamentally false picture of the GDS industry and the value it brings to the airline community.

We represent the European Technology & Travel Services Association (ETTSA), which is the trade association bringing together global distribution systems (GDSs) and major online travel companies (OTCs) at European level, and the Interactive Travel Services Association (ITSA), which is the voice for the GDS and OTC industries in the U.S.

The abovementioned article outlines some important commercial opportunities and challenges the airline industry faces in respect of the diversification of the air product and the unbundling of ancillary services. Our associations and our members fully appreciate these opportunities and challenges, and we are supportive of a fair, transparent, and competitive distribution landscape.

In Europe, all the GDSs have been fully engaged in the activities of IATA’s EMD working groups that develop the data standards for tracking the sale of charges for ancillary services, and

we have been working at the same pace to ensure our technology can support the changes the airline industry wishes to see. As you will know, the first airlines are now filing ancillary services and fees through the GDS channel, with many more due to follow.

The situation is much the same in the U.S., with GDSs having invested heavily in new technology to make airline ancillary services available, so that our members can distribute and sell these ancillary services to consumers.

It is therefore very disappointing to read that the GDSs – trusted partners to most airlines – are depicted as being the bottleneck preventing the airline industry from bringing its innovative products to market. We find it unacceptable that the GDS distribution channel is being called outdated when it is that same GDS channel that is today the most cost-effective tool for buyers of business travel to manage the complexity of supply, and in fact many airlines utilize the technology and products of the GDSs to run their web sites – which get rave reviews in the article.

It is understandable that certain distribution service providers, for commercial reasons, wish to downplay the value the GDSs are bringing to airlines and travellers around the globe. However, we find it regrettable that IATA endorses such isolated providers and publishes an utterly biased article in its flagship magazine without even giving the GDSs an opportunity to make their case in what is in our view a very important discussion about the future of distribution. We believe that what is written is completely at odds with reality, and it exhibits a lack of understanding, on the part of IATA, of the role the GDSs play for the vast majority of your airline members. We can't but conclude that IATA has an agenda which openly disregards the realities of the market place.

We believe the long-established partnership between the airline industry and the GDSs deserves better, and we would like to propose a dialogue focused on how the GDSs can help the airline industry better address some of the earlier mentioned challenges and opportunities.

We look forward to a constructive exchange of views, and remain

Faithfully yours,



Christoph Klenner
Secretary General
ET TSA



Joe Rubin
President
ITSA