

PRESS RELEASE – FOR IMMEDIATE RELEASE

European online travel distributors call on Italian lawmakers to suppress the OTA discrimination article in the Competition Law

Brussels, 15 February 2016 – With the final discussion in the Senate Committee likely probably approaching this week, the European Technology and Travel Services Association (ETTSA), which represents the interests of global distribution systems ("GDSs") and online travel agencies ("OTAs"), today called on the Italian Government and Parliament to comply with EU competition law by suppressing the new Italian Competition Law article, discriminatory against OTAs, which introduces the nullity of 'rate parity' clauses.

"The so called, Article 50, has been introduced by the Chamber of Deputies without any industry consultation or impact assessment and it is very likely incompatible with the EU Treaty and EU Competition law," stated Mr Christoph Klenner, Secretary General of ETTSA.

The proposed new Italian provision affects travel distributors regardless of their market position; it conflicts with contractual and commercial freedoms and will infringe on fundamental EU principles such as the free movement of services and establishment and EU competition law, undermining the sustainability of OTA businesses. The proposed article establishes the nullity of the contractual clauses under which hotels commit themselves not to discriminate consumers that make their reservation on an OTA when hotels set their prices on the OTA compared to the price the hotels set on their own website.

"Should the provision in the draft Competition Law be approved in its current form, free riding on the investments made by OTAs would be legitimised. This will undermine the sustainability of OTA businesses," warned Mr Klenner.

As stated by the AGCM in the hearing before the Senate, the proposed provision should be taken out of the law as the issue is complex and requires further review. ETTSA therefore also strongly supports the amendment proposed by Senator Bianconi and others to suppress the proposed article 50.

"ETTSA is a strong supporter of fair competition in the travel and tourism sector," said Mr Klenner, adding, "Any provision affecting online markets needs in any case be notified to the European Commission so that its legality can be checked for compatibility with EU law as required by Directive 2015/1535."

ETTSA Chairman, Mr Jean-Philippe Monod, explained that the law, if put into effect as it currently stands, will have a negative effect on travel and tourism in Italy, "Consumers and hotels, in particular the small ones, which form the backbone of the Italian tourism sector, will be harmed should Article 50 of the proposed Italian Competition law be approved."

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About ETTSA

The European Technology and Travel Services Association (ETTSA) was launched in 2009 to represent and promote the interests of global distribution systems (GDSs) and travel distributors, towards the industry, policy-makers, opinion formers, consumer groups and all other relevant European stakeholders. The association, based in Brussels, encourages and supports full transparency, fair competition and consumer choice in the travel distribution chain.

ETTSA's members include Amadeus, ebookers, Expedia, Odigeo (and its brands eDreams, GoVoyages, Opodo and Travelink), Sabre, Travelport. Associate members include, SkyScanner and TripAdvisor. ATPCO and OAG are Supporting Partners of ETTSA.

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