

## PRESS RELEASE

## ECTAA files a formal complaint against Lufthansa AG concerning the announced new Distribution Cost Charge

This 24<sup>th</sup> July 2015, ECTAA filed a formal complaint with the EU Commission - Directorate General for Mobility & Transport, based on the EU Regulation N° 80/2009 on a Code of Conduct for Global Distribution Systems, GDSs.

On the 2<sup>nd</sup> of June 2015 the Lufthansa Group announced that as from 1 September 2015 a 16 EUR charge will apply for all tickets booked via GDSs on Lufthansa, Brussels Airlines, Austrian Airlines, Swiss Airlines flights.

Such charge will constitute a significant price increase for consumers and will put all travel agents at a competitive disadvantage compared to the direct distribution of the airlines concerned.

After a careful analysis of the alternative distribution channels proposed by Lufthansa, including the individual airlines' websites or the LH Group-Agent platform, ECTAA and its Member associations reached the conclusion that these were not efficient and viable alternatives, as they would constitute a considerable step backwards to the currently highly automated booking and ticketing processes through GDSs.

Following a detailed legal analysis of the Lufthansa announcement, ECTAA has decided to file a complaint with the European Commission Directorate-General for Mobility and Transport as Lufthansa's action constitutes a breach of the EU Regulation N° 80/2009 on a Code of Conduct for GDSs, in particular in what concerns the provisions of the articles 10.4 and 10.5 of the Regulation. Indeed, if the Lufthansa's Agent booking platform falls within the definition of a GDS as defined in article 2.4 of the Regulation, Lufthansa as a 'parent carrier' must comply with parent carrier's obligations as specified in articles 10.4 and 10.5.

It will be now up to the European Commission to decide whether the proposed booking alternative, the LH Group-Agent.com platform, falls under the application of the EU Regulation N° 80/2009 and whether Lufthansa complies with its legal obligations.

ECTAA and its Members are further pursuing legal investigations to see whether Lufthansa's actions infringe European competition rules (Articles 101 and 102 of the EU Treaty).

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ECTAA regroups the national associations of travel agents and tour operators of 33 European countries, of which 27 are within the European Union, and represents 80.000 enterprises.

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