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Opinion

Title

Impact Assessment on: Revision of Regulation 2299/89 on a Code of Conduct for computerised reservation systems (CRS)

(draft version of 9 August 2007)

Lead DG

DG TREN

1) Impact Assessment Board Opinion

(A) Context

The IA report analyses potential amendments to an existing Regulation 2299/89 in the light of recent market developments and some stakeholder concerns about the system currently in place. The computer reservation system operators provide services to the airlines and travel agents; the current Code of Conduct has been designed to prevent any of these entities to develop and abuse dominant positions, while at the same time to provide sufficient consumer protection. The report analyses measures leading to (partial) deregulation of the system; this might lead to keeping some of the existing obligations (such as the obligation of parent carriers to participate on equal terms in other CRSs) while abandoning some other, such as a ban on CRS content differentiation.

(B) Positive aspects

When presenting the current problem the IA report makes a good effort in quantifying financial flows related to reservation systems between carriers, CRS operators, travel agents and customers.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG.

General recommendation: The baseline scenario should elaborate on the outlook for internet penetration and the implications thereof on the competition between CRS systems and alternative reservation opportunities. The simplification gains should be better elaborated and the interaction between rail and air travel information and

reservation systems should further explained.

(1) The IA report should further develop the analysis of the emergence of alternative reservation opportunities and the resulting competition in this sector, taking into account the increasing penetration of internet access in Europe. The IA report should further elaborate option 2 (full deregulation), in particular giving clearer evidence on how the lower, but still increasing, penetration rates of internet in Europe compared to the USA produce, directly or indirectly, market failures.

(2) Simplification gains should be demonstrated more clearly. Since the present initiative is in the Commission's Simplification Rolling Programme (and the initiative was originally announced to be full deregulation), the IA report should more clearly and consistently explain the simplification gains for each option.

(3) Interaction between air and rail travel information and reservation systems should be further considered. The IA report should examine the prospects for and impacts of a possible better interaction of air and rail information and reservation systems and draw clearer implications of this analysis for the choice of policy options.

(D) Procedure and presentation

It appears that all necessary procedural elements have been complied with.

2) IAB scrutiny process

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Author DG	TREN-F-1
External expertise used	No
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