

Duff on Hospitality Law

## **OTA & Travel Distribution Update: Travel industry pricing practices garner Singapore regulator attention; Japanese distributor abandons parity provisions; Congresswoman questions recently proposed resort fee legislation**

By Greg Duff on 10.14.19 | Posted in OTA Update

### **Special Announcement**

Welcome to our inaugural issue of Foster Garvey's OTA & Travel Distribution Update. On October 1<sup>st</sup>, the combination of Garvey Schubert Barer and Foster Pepper into the new Foster Garvey became effective. The combined firm now boasts 180 attorneys in 6 offices – Seattle, Spokane, Portland, New York, Washington D.C. and Beijing. Personally, I'm thrilled to have played a small role in bringing these two long-standing firms together and excited by the prospect of having twice the resources to better serve our hospitality and travel clients. Details about the combined firm are available at [www.foster.com](http://www.foster.com). More to come....

As for the Update, it was a relatively quiet week on the distribution front as opinions and viewpoints regarding the recently announced Expedia/Marriott agreement continue to roll in. What this agreement might ultimately mean for the industry is unknown, but as other distributors and bed banks race to offer hoteliers "similar" intermediary services, there is definitely a wholesale shakeup on the horizon.

Enjoy.

### **Travel Industry Pricing Practices Garner Singapore Regulator Attention**

*("Online travel sites' drip pricing can raise competition issues, Singapore antitrust agency says, " MLex Insight on Sep 30, 2019)*

Following completion of its recent investigation into Singapore's online travel industry, the Consumer and Competition Commission of Singapore (CCCS) released last week its findings and proposed guidelines. The investigation identified four widely used practices by online travel providers that raise consumer protection concerns: (1) drip pricing, (2) pre-ticked boxes, (3) strike-through pricing and (4) pressure selling tactics that lead to a false sense of urgency (many of these same practices led to the recently proposed "principles" in the UK). In an effort

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to address some of these concerns, the CCCS report contains proposed price transparency guidelines, including mandatory inclusive pricing (all mandatory fees and charges must be included in the headline price). A copy of the CCCS report and proposed guidelines, which remain open to public comment through October 21, can be found [here](#).

### **Japanese Distributor Abandons Parity Provisions**

*("E-commerce giant Rakuten offers JFTC commitments to end MFN clauses," MLex Insight on Oct 1, 2019)*

Rakuten, Japan's largest e-commerce platform, announced last month its commitment to the Japan Fair Trade Commission to eliminate rate and inventory parity requirements in its lodging industry contracts. The commitment follows an investigation by the Commission into the contracting practices of several online travel platforms [earlier this year](#).

### **Congresswoman Confirms Recently Proposed Resort Fee Legislation Likely Not Going Far**

*("Dina Titus weighs in on resort fees that would affect Las Vegas," Las Vegas Review Journal - Business on Oct 2, 2019)*

In an interview this past week, U.S. Representative, Dina Titus (D-NEV), whose district includes the heart of the Las Vegas resort market, questioned both the need for the recently proposed legislation and the likelihood that it would go far in the current DC environment. According to Representative Titus, while she supports early and clear disclosure of resort and other mandatory fees, she believes that guidance provided on the issue by the FTC back in 2012/13 is adequate.

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Other news:

### **This Startup Is Building A Secondary Market For Frequent Flier Miles**

*Forbes - Innovation on Oct 4, 2019*

What is a currency? It's a physical or digital instrument that has financial worth. With tokenization, currency is acquiring an expansive definition, and is blurring the line between traditional cash and loyalty credits, frequent flyer miles, and rewards points. Frequent flyer programs are satisfying to join: They compensate (or refund)...

### **Skyscanner Wants to Be Instagram-Like in Selling Flights**

*Skift Travel News on Oct 2, 2019*

Online flight shopping has been stuck in the doldrums. A case in point is Skyscanner, which just updated its logo but continues to essentially show the same drop-down menus and limited information on flights today as it did five years ago. But change is in the works.