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Duff on Hospitality Law

OTA & Travel Distribution Update – ETTSA challenges European Commission’s failure to act; the European Union issues formal warning to Airbnb

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This week's Update is heavily focused on the EU and its recent enforcement activities.

ETTSA Challenges European Commission's Failure to Act

(“ETTSA Files Complaint Against EU Commission Over Airline Surcharges,” MLex, July 19, 2018) (subscription required)

While we don't regularly feature stories detailing other travel industry members' distribution challenges, we felt the European Commission's recent decision to leave intact Lufthansa's indirect booking surcharges warranted highlighting. Since the Lufthansa policy was adopted in September of 2015, the European Technology & Travel Services Association (ETTSA) (which is comprised of a variety of indirect bookings platforms - GDSs, OTAs, etc.) has taken steps to challenge the policy, including filling an official challenge to the policy with the European Commission soon after the policy was announced. In May of this year, the European Commission announced that it intended to take no action in response to the Lufthansa surcharges or ETTSA's complaint challenging the surcharge. Angered by the Commission's failure to act, ETTSA filed a complaint this past week against the European Commission challenging on both procedural and substantive bases the Commission's failure to act. While this series of events may not have direct application to hotel bookings, it may provide a glimpse into the current thinking of the European Commission toward suppliers' attempts to better manage their indirect channel partners. More to come, I'm sure . . .

Welcome to the European Union – Airbnb

("Airbnb Faces Ultimatum to Comply With EU's Consumer Rules – Bloomberg," Bloomberg News, July 16, 2018) (subscription required)

The European Union issued a formal warning to Airbnb this past week directing the short-term rental platform to improve its presentation of pricing information, better distinguish private and professional hosts and to make its booking terms and conditions fairer and more understandable to the platform's users. The EU gave the platform until August to respond to the warning and to outline the changes that the platform intended to make.

Other news:

Travel giant Booking invests $500M in Chinese ride-hailing firm Didi Chuxing

Tech Crunch, July 17, 2018

Didi Chuxing, China's largest ride-hailing company, has pulled in some strategic capital after Booking Holdings invested $500 million into its business. The deal will see Booking Holdings - which was formerly known as Priceline - work closely with Didi to offer its on-demand car services through its Booking.com apps via an integration.

$5 Billion EU Fine Against Google Brings Travel Back Into the Spotlight

Skift Travel News, July 18, 2018

Ever since the European Commission slapped Google with a $2.7 billion (€2.42 billion) fine a year ago for breaching antitrust rules with its shopping product, there have been rumors that its travel tools might be next in the firing line. So far, however, nothing has materialized and instead the commission, which serves as the European Union's executive arm, came down hard Wednesday on Google's Android operating system, fining the company $5 billion (€4.34 billion) for imposing "illegal restrictions on Android device manufacturers and mobile network operators to cement its dominant position in general Internet search." It's another meaty punishment - although one that Google again plans to appeal - and shows just how happy Commissioner Margrethe Vestager is to go up against the technology giant.

Posted in OTA Update

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