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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, DC

DEPT. OF TRANSPORTATION
DOCKET SECTION
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Notice of)
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Proposed Rulemaking to Amend)
Part 255 of the DOT's Regulations)
(CRS Regulations))
)

Docket OST 97-2881-23

COMMENTS OF COMPAGNIE NATIONALE AIR FRANCE

Communications with respect to this document may be served upon:

Dominique Patry
Vice President-International
and Industry Affairs
COMPAGNIE NATIONALE AIR FRANCE
45 Rue de Paris
F 95747
Roissy CDG Cedex
France

Michael F. Goldman
BAGILEO, SILVERBERG &
GOLDMAN, L.L.P.
1101 30th St., N.W.
Suite 120
Washington, DC 20007
(202) 944-3305

Attorneys for
COMPAGNIE NATIONALE AIR
FRANCE

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COMMENTS OF COMPAGNIE NATIONALE AIR FRANCE

On September 10, 1997 the Department published an advance notice of proposed rulemaking seeking comments on its periodic review of the Department's Computer Reservation System Rules ("CRS Rules") (Part 255 of the DOT Regulations). While the current DOT CRS Rules would expire December 31, 1997, the Department has proposed to extend them until March 31, 1999 pending completion of this proceeding. Compagnie Nationale Air France ("Air France") takes this opportunity to provide initial comments on proposals to terminate or modify the Department's CRS Rules.

1. Continuation of CRS Rules

Air France believes that the Department's CRS Rules should be continued to ensure that the owners of the systems (airlines, airline affiliates) do not prejudice the competitive position of other airlines and do not provide inaccurate or misleading information to travel agents and their customers.

Moreover, an alignment of EC and DOT CRS Rules should be pursued to ensure equivalent non-discriminatory treatment, neutrality and transparency in both the U.S. and the European Community. In this respect the DOT could consider extending the applicability of the CRS Rules to all systems containing air transport products (and providing reservation, ticketing and/or information facilities as well) irrespective of the ownership of such systems to ensure that the public is informed in a fair, impartial and comprehensive manner whatever the system used.

2. Internet

The use of the Internet for sale of airline seats is a new development since the last review of the DOT CRS Rules. Air France believes that the growth in Internet bookings may not necessarily reduce airline dependence on CRSs since the use of CRSs as booking engines by Web sites is expanding rapidly.

Therefore parity clauses in CRS vendor-airline participation agreements (to the extent still valid) should not apply to CRS Internet services as a condition to participation in the CRS services offered by travel agency subscribers. Taking into account security problems on the Internet, point-of-sale identification and control functions should be addressed as well as the issue of subscriber and/or consumer behavior as it is open to abuse. In this respect airlines should be offered the

capability to participate in CRS Internet sites via a separate agreement with CRS vendors.

In addition, branded airline Internet Web sites should be exempted from any CRS regulation since they are no different than airline reservation offices (see EC CRS Code of Conduct proposal art. 21-21c).

3. Display of Flight Information

Rules to ensure that travel agents using CRSs can better obtain a fair and complete display of airline services should be improved. The absence of a neutral elapsed time criteria in the algorithm under the current DOT CRS Rules is damaging competitiveness among airlines. CRSs therefore should be barred from creating displays that do not use elapsed time as a significant factor in selecting flights from the data base in ranking flights.

Also, for display of code share flights, extending the limit of flight displays up to a maximum of two in the DOT CRS Rules would highly improve the accuracy of information provided to the consumers in the U.S. market and would make this type of information consistent worldwide (see EC Code of Conduct Annex, paragraph 10).

4. Equal Functionality

Considering that this provision is the necessary condition to ensure fair competition between airlines and CRSs and the

neutral dissemination of information to the consumer, the EU has recently further tightened its requirements here by requiring de-hosting supported by audits. The DOT CRS Rules could benefit by adopting similar principles.

5. CRS Travel Agency Contract Terms

The CRS systems' use of contract terms such as productivity pricing encourages some travel agents to make unnecessary transactions generating valueless overcharges to airlines. A practical solution would be to make "actual travel" or "ticketed reservation" the basis on which productivity benefits are awarded to agents rather than the number of bookings or transactions which are open to abuse.

Air France appreciates the opportunity to provide these initial comments, and looks forward to the opportunity to comment on the Department's final proposals for amendments to its CRS Rules.

Respectfully submitted,



Michael F. Goldman
BAGILEO, SILVERBERG & GOLDMAN, L.L.P.
1101 30th St., N.W., Suite 120
Washington, DC 20007
(202) 944-3305

Attorneys for
COMPAGNIE NATIONALE AIR FRANCE