

March 9, 2000

Honorable Rodney F. Slater
Secretary of Transportation
U.S. Department of Transportation
400 7th Street, SW
Washington, DC 20590

Re: OST-1999-6694

Dear Secretary Slater:

Over the past three years, Woodside Travel Trust (Woodside), comprised of 130 partner agencies in 80 countries and 6,600 travel agency locations, has assumed a leadership role in advocating for the Woodside Travel Trust partners and the traveling public by bringing both domestic and international media and government attention to competition barriers within the airline industry.

At the same time, Woodside has also addressed concerns about unfair business practices by the airlines in the area of unilateral commission cuts, which not only harms the agencies, but translates into a fare increase for our corporate clients. The latest move by IATA that will require agencies to include a corporate identification number in each PNR is equally egregious, as it is yet one more attempt by the carriers to impose an agency by-pass on travel management companies.

We are confident that a business/corporate response will convince IATA to abandon the program. In the past, Woodside Travel Trust has made significant progress in promoting its issues and elevating its status as an advocate to be listened to on **all** issues relating to corporate travel and travel management.

To that end, I would like to voice opposition to the agreement recently filed by the International Air Transport Association (IATA) that would create a Corporate Client Identification System.

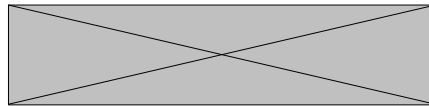
Sincerely,

Ivan Michael Schaeffer
President & Chief Executive Officer
Woodside Travel Trust

**Woodside Travel Trust
Responds to the
IATA Corporate Identification Number Initiative**

March 2000

*Ivan Michael Schaeffer
President & Chief Executive Officer
Woodside Travel Trust*



The IATA Corporate Identification Number Initiative

I. BACKGROUND

In October 1999, the International Air Transport Association (IATA) met to implement a universal corporate identification number to be put into the Passenger Name Record (PNR) at the time of ticketing. This identifier would be available to the airlines through the Marketing Information Data Tapes (MIDT) that carriers purchase from the Global Distribution Systems (GDS). Not all airlines agreed with this move, with United and TWA vetoing the proposal. A compromise, however, did pass as a recommended practice to be adopted March 1, 2000.

The reasoning behind this initiative is on the one hand simple and on the other insidious. The airlines are seeking a unique number to identify customers for sales to measure contract performance and to research corporate prospects. Since IATA is a closed-membership group the proceedings tend to be secretive. Neither corporations nor their travel management companies were completely aware of this initiative nor were permitted to express their point of view on this critical issue.

The practice of inserting a universal customer number available to any airline will seriously disadvantage agencies and companies.

II. THE AGENCY PERSPECTIVE

Involuntary Disclosure of Customers

- Corporate ID will enable any airline to view any agency's customers
- Competing airlines may attempt to shift customers to another preferred agency.
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Unequal Access to Information

- Airlines will have access to agency information and corporate information
- MIDT data is available solely to airlines
- Agencies will not have access while their most sensitive data is available to any airline.
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Last Link in Agent By-Pass

- Airlines will have total electronic environment: Internet ordering, e-tickets, and information
- Airline contracts may tie discounts to use of airline automation including the corporate ID
- Airlines will have data before the agents' customers
- Bookings will be shifted from agencies to airline corporate portals.
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Corporate Boutiques

- Agencies will have only the data booked through their agency
- Agent influence and relationships with clients who book directly through the airline or the airline-Internet site will erode with incomplete information.
- Agents may be reduced to boutique corporate services: VIP, International, and exchanges.
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III. THE CORPORATE PERSPECTIVE

Invasion of Privacy

- Corporate ID is placed in traveler's PNR
- Airlines acquire data through MIDT data tapes
- Data is available to any and all airlines that purchase the tapes
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Airlines Access Data Before Companies

- Airlines receive MIDT data every three days
- Corporations will not receive data until two weeks after end of the month from their travel management companies.

IV. ISSUES AND CONCERNS

MIDT Data is Inaccurate and Unreliable

- MIDT is derived from GDS bookings, not flown data, and is kept secret from the corporation
- Data does not include refunds, exchanges, or changes en route
- Airlines must "discount" data to account for discrepancy
- Corporations will be measured with secret data relying on secret "discounts" factors
- Agencies have been penalized by secret "discount" factors for override payments
- Corporations will experience same loss of control over contract performance

Maintaining Corporate Identification Codes Will Be Impractical

- Mergers, acquisitions, and spin-offs will make accurate coding almost impossible
- Travel managers will be responsible for supplying endless updates to airlines
- Missing records will cause corporations' performance to be undercounted

V. CURRENT STATUS OF INITIATIVE

- The program has been conditionally approved
- Implementation is scheduled for March 1, 2000
- Initial media reaction from corporations and agents has been support of ID utilization
- Full implications of ID's impact is not understood
- IATA is concerned about EU confidentiality provisions
- Airlines feel they can use the data since no customer's "name" is disclosed
- Use of ID is being characterized as "voluntary" for the corporation

VI. CALL TO ACTION

Woodside Travel Trust recommends that its members take the following three steps.

- Express your objections to the corporate identification initiative to key trade and government organizations and travel publications.
- Advise your corporate customers that the corporate identification number poses a risk to the confidentiality of their data.
- Inform the carriers that your agency is opposed to including a corporate identification number in traveler's records.