

160417



Travel Services

MR Representative

March 4, 2002

Docket Management Facility,
U.S. Department of Transportation, Room PL-401,
400 7th Street, S.W.
Washington, D.C.

OST-97-2881-262

Subject: Restraint of trade and discriminatory behavior of airlines.

Dear Sirs:

I am the owner of one of the larger travel agency networks on the Central Coast of California, serving communities in Northern Santa Barbara County & all of San Luis Obispo County with 10 offices. I am writing on behalf of our customers and my employees, as well as myself, with respect to the worsening behavior of America's largest airlines.

As you well know, the airlines are now offering fares via the Internet, thru their web sites including Orbitz, at considerably lower prices than they offer through travel agencies via Apollo, Sabre, and other CRS providers. You are supposed to be the regulator of the airlines and their ticket distribution channels including CRS providers used by travel agencies. To again postpone reform of CRS regulations is, despite your rational for doing so, severely penalizing large segments of our population, and travel agencies that, for the most part, are small businesses serving local communities throughout rural and urban America.

Today, consumers who do not have access to the Internet, and therefore Orbitz or the other airline web sites, are being heavily penalized by having to pay as much as 20% or more for their airline tickets when they purchase them through travel agents. This discrimination affects the large majority of older consumers and consumers of lower economic means who are least able to afford higher fares. For many of them, travel is an essential need, not just for leisure purposes, and most of these people are either not computer literate and/or do not have Internet access or a computer and rely on travel agents to assist them. Even for their much valued leisure travel, should our society be allowing corporate America to so seriously discriminate against them? If so, we have returned to the "Robber Baron" era that occurred at the beginning of the last century, that later prompted our anti-trust laws. Why are not these laws being applied today? Why is it that airlines who use public air space owned by citizens of this country and managed by a Government agency that is expected to be at least indirectly accountable to citizens of this country, allowed to so seriously discriminate against large segments of the country's citizens?

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The solution to current airline behavior is relatively simple, but the implementation requires Government action. Airlines should be required to offer the same fares via all major ticket distribution channels, without citizen discrimination.

As you know, when travel agencies are denied access to the lower fares being offered through the Internet web sites by the airlines, it further endangers their financial viability. Travel agencies have been already severely punished financially by the reductions in airline commissions. This has occurred even though travel agencies continue to sell, and will in the future, most of the airline tickets sold in America. Airlines have argued that they can't afford the cost of travel agents which is nothing more than a "smoke screen". If airlines can reduce fares by 20% and more, they could easily restore the 5% they no longer pay travel agents, a cost now passed on to the consumer through travel agency fees. The airlines want to eliminate agencies because agents assist consumers in coping with airline manipulation of pricing and other practices intended to minimize competition and maximize market share. The agent advises consumers on best value air tickets that take into account dozens of airlines, hundreds of price options, and convenience and risk factors. In doing so, agents serve as a counter-influence to exploitation by the few largest airlines, helping to "level the playing field" for the consumer while also serving as consumer advocates when airlines mistreat their customers financially and otherwise. If travel agencies are eliminated, airlines will be free to exploit consumers even more, in their consumer un-friendly manipulation of pricing and conditions of travel.

This letter is to ask you about where our anti-trust protection is, the protection that average citizens and small community-based businesses are promised in our democratic society that was legislated long ago? After all of these years why are Government agencies responsible for anti-trust compliance not doing anything about all of the above? Are they so enamored with the new technologies that they are blind to the human and civil rights issues? What will it take for consumers and travel agencies to get relief? Do we have to mount a "march on Washington" to get Government to act? Is there no compassion left for the common every-day American? Or for small businesses that provide most of the jobs in America today? These are the questions that urgently need answers and solutions. America is looking to you for action, not procrastination.

We will greatly appreciate your efforts, on a timely basis, to help us.

Sincerely,



Ernest E. Petrich, President/CEO
Traveltime Headquarters

Cc: Senator Diane Feinstein
Senator Barbara Boxer
Senator John McCain
Congresswoman: Louis Capps