

Duff on Hospitality Law

OTA & Travel Distribution Update: Nustay seeks EU regulatory review; planned EU review of existing anti-trust rules to include common OTA issues; Airbnb expands activity offerings

By Greg Duff on 6.24.19 | Posted in OTA Update

The latest OTA & Travel Distribution Update features a number of stories highlighting ongoing or recently resolved regulatory complaints or investigations. Enjoy.

Nustay Seeks EU Regulatory Review

("Expedia, Booking.com targeted in EU antitrust complaint by Nustay," MLex Insight, June 11, 2019)

Dutch booking platform, Nustay, filed a complaint last week with the European Commission alleging that the practices of Expedia and Booking.com illegally restrict competition in the market. The alleged practices at issue include imposing severe consequences (e.g., reducing a hotel's ranking or transferring the hotel to Booking.basic (Booking.com only)) on hoteliers that seek to offer more competitive prices through alternative (including Nustay) channels, which Nustay alleges, constitutes enforcement of a "new type" of wide parity requirement.

Planned EU Review of Existing Anti-Trust Rules Will Include Common Online Travel Distribution Issues

("EU's vertical agreements review to include RPM, MFN, selective distribution, official says," MLex Insight, June 13, 2019)

According to recent remarks by Marieke Scholz, deputy director of the EU's unit for antitrust policy, the unit's planned review of existing EU antitrust rules on distribution will include an examination of two key online travel issues - resale price maintenance and most favored nation clauses. According to Scholz, the divergent approaches taken by EU member states to the most favored nation (i.e., parity) clauses often imposed by the large online travel distributors warrants attention. Other areas likely to be examined as part of the rules review include the EU's outright ban on resale price maintenance provisions. An initial working document summarizing the unit's progress is expected in the spring of 2020.

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Airbnb Expands Activity Offerings

("Airbnb Expands Experiences Into Multiday Adventures," Skift Travel News, June 13, 2019)

Airbnb announced plans this past Thursday to expand its existing single-day tours business, Airbnb Experiences, into multi-day tours through the launch of Airbnb Adventures. As of the launch date, Airbnb claims to have 200 Adventures available, most of which are run by local tour operators (not well-known commercial operators). With the addition of this latest service offering, Airbnb has put itself squarely in the cross hairs of traditional (and somewhat skeptical) tour operators who question, among other things, the ability to offer such complex offerings entirely online.

Other news:

Expedia Settles With U.S. Government Over Cuba Travel Allegations

Skift Travel News, June 14, 2019

Expedia has agreed to pay more than \$325,000 to settle U.S. government allegations that it improperly helped people travel inside Cuba or between the island and places other than the United States. The government said that the online travel company appears to have violated U.S. sanctions against Cuba.

TripActions Teams Up With United Airlines to Offer More Efficient Booking

Skift Travel News, June 11, 2019

Upstart travel management company TripActions has launched a direct connection with United Airlines using New Distribution Capability technology, suggesting it is looking to bypass global distribution systems in the future. The move will allow travelers to view all of the airline's cabin fares, bundles, and ancillary product offerings like checked baggage and club access, which were only available through the United website or app in the past.