

Duff on Hospitality Law

## OTA & Travel Distribution Update - May 12th, 2017

By Greg Duff on 5.19.17 | Posted in OTA Update

This week's GSB weekly client OTA & Travel Distribution Update for the week ending May 12, 2017 is below.

- **Rhetoric Over AHLA's Planned Lobbying Efforts Ramps Up [OTA].** Not surprisingly, Priceline Group CEO Glenn Fogel has a slightly different perspective on the OTA's influence and control over the online travel agency industry. Responding to recent reports (see last week's Update) outlining AHLA's plans to lobby Trump administration officials over Expedia's and Priceline Group's dominance of the online travel agency industry, Glenn objected to AHLA's characterization of Expedia's and Priceline Group's control as a monopolistic. According to Glenn, such statements, when considering Priceline Group's share of the global travel industry (as opposed to AHLA's use of the U.S. online travel industry – a much smaller denominator) constitute “misstatements” and untrue “allegations.” I suspect Glenn's comments are not the last that we will see coming out of the OTAs regarding AHLA's planned campaign.

### **Priceline Group CEO Faults Hotel Association for False Allegations**

*Skift Travel News, May 11, 2017*

There is ample competition among hotels, online travel agencies, and airlines in the U.S. travel marketplace as all of these sectors have seen a spate of consolidation. It may make sense business-wise for these companies, but none of it is particularly good for consumers or competition.

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Other news:

### **Expedia acquires majority stake in London company seeking to modernize rail travel**

*GeekWire, May 12, 2017*

Expedia said it has acquired a majority stake in SilverRail, a London based company focused on online booking for train trips. The two companies have teamed up in the past to give Expedia customers in the U.K. the option to buy train tickets directly. Expedia said SilverRail will continue to work on “transforming the consumer experience of rail for carriers, travel retailers,

and corporate travel companies.” The deal is expected to close in the middle of the year, and Expedia did not disclose financial terms.

**Chicago Loses \$29 Million Appeal By Expedia And Other Online Travel Companies**

*Forbes - Entrepreneurs & Small Business News, May 10, 2017*

Another round in the seemingly endless battle between on line travel companies and cities goes to the OTCs and the dollars are pretty substantial. Based on a 2015 ruling by the Cook County Circuit Chicago was expecting to collect \$29,101,076.23 from Expedia and other OTCs. Now the Appellate Court Of Illinois - First Judicial District has given the city disappointing news. The lower court decision is overturned.