

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

-----  
In the Matter of

COMPUTER RESERVATIONS SYSTEMS  
(CRS) REGULATIONS

:  
:  
:  
:  
:  
:  
:

Docket OST-97-2881  
-----

SUPPLEMENTAL REPLY COMMENTS OF  
CONTINENTAL AIRLINES, INC.

Communications with respect to this document should be sent to:

Rebecca G. Cox  
Vice President, Government Affairs  
CONTINENTAL AIRLINES, INC.  
1350 I Street, N.W.  
Washington, DC 20005

Hershel I. Kamen  
Staff Vice President, International  
& Regulatory Affairs  
CONTINENTAL AIRLINES, INC.  
P.O. Box 4607 – HQSGV  
Houston, TX 77210-4607

R. Bruce Keiner, Jr.  
Lorraine B. Halloway  
Thomas Newton Bolling  
CROWELL & MORING LLP  
1001 Pennsylvania Avenue, N.W.  
Washington, DC 20004-2595  
(202) 624-2500

Counsel for  
Continental Airlines, Inc.

October 23, 2000

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
I. INTERNET DISTRIBUTION CHANNELS SHOULD NOT BE REGULATED AT ALL.....	2
A. No Commenter Has Justified Departing From The Strong Federal Policy Against Regulation of The Internet.....	2
B. Internet Sites Should Not Be Required To Disclose Bias.....	5
C. Singling Out Emerging Internet Distribution Channels For Regulation Would Be Disastrous For Consumers and Competition.....	6
II. THE DEPARTMENT SHOULD NOT REQUIRE AIRLINES TO OFFER ALL FARES TO ALL DISTRIBUTION CHANNELS .....	10
III. THE CRS RULES SHOULD BE RENEWED AND EXTENDED TO CRS MARKETERS.....	11
IV. BOOKING FEES SHOULD APPLY ONLY TO ACTIVE SEGMENTS.....	14
V. THE DEPARTMENT SHOULD PROHIBIT TYING OF CRS AND INTERNET PRODUCTS.....	15
VI. THE DEPARTMENT SHOULD RETAIN SECTION 255.10(a) .....	17
CONCLUSION.....	18

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

-----  
In the Matter of

COMPUTER RESERVATIONS SYSTEMS  
(CRS) REGULATIONS

:  
:  
:  
:  
:  
:  
:

Docket OST-97-2881  
-----

SUPPLEMENTAL REPLY COMMENTS OF  
CONTINENTAL AIRLINES, INC.

INTRODUCTION

The supplemental comments submitted by Continental<sup>1</sup> and others show why it would be dangerous to sunset the CRS rules or regulate Internet travel distribution channels now. The Department should renew the current CRS rules for a three-year period, extend them more fully to CRS marketers and leave all Internet travel sites free of regulation. To assure that the CRS rules provide maximum protection to consumers and competition without impeding full development of Internet distribution channels, the Department should also:

- Permit Internet travel sites to develop without any regulation.
- Leave airlines free to decide how and where to market their fares.

---

<sup>1</sup> Common names of companies are used.

- Ban booking fees for passive segments that do not result in a ticket or e-ticket.
- Permit all participating carriers to opt out of CRS Internet products offered to consumers and corporate customers, and seek separate, flexible pricing for these optional products.

Continental replies as follows to the supplemental comments submitted by other parties:

I. INTERNET DISTRIBUTION CHANNELS SHOULD NOT BE REGULATED AT ALL

American is correct that “[t]he worst outcome of this proceeding would be new regulation that prevents the Internet from bringing needed competition to airline distribution costs.” (American Comments at 2) While many commenters recommend extending the CRS rules, or certain portions of those rules, to Internet distribution channels, Continental agrees with United that applying the CRS rules to the Internet “would be a disaster.” (United Comments at 3) Doing so would “limit the freedom of online distributors to conclude commercial arrangements and deliver services as they see fit,” and “pervert (if not eliminate altogether) competition and discourage creativity.” (United Comments at 5)

A. No Commenter Has Justified Departing From The Strong Federal Policy Against Regulation of The Internet

The calls for regulation of Internet air transportation sites are directly contrary to the Administration’s “Framework for Global Electronic Commerce, which warned that “For the [Internet’s] potential to be realized fully, governments must adopt a non-regulatory, market-oriented approach to electronic commerce.” (The White House, A Framework for Global Electronic Commerce, July 1, 1997, at

3) “Official decision makers must respect the unique nature of the medium and recognize that widespread competition and increased consumer choice should be the defining features of the new digital marketplace.” (Id. at 2) The commenters who support regulation of Internet travel distribution channels have failed to show why the Department should depart from the federal government’s e-commerce policy to single out distribution of air transportation over the Internet for different treatment.

Air transportation Internet distribution channels are still developing. They are projected to constitute only 11.1% of the total airline bookings by 2003. (Bear Stearns, Internet Travel, April 2000) Half of the Internet bookings are made by branded airline sites (see Orbitz Comments at 53), which most commenters would not regulate. Unlike the oligopolistic CRSs, Internet sites “do not constitute an ‘essential facility’; nor are the vast majority of such products owned or controlled to any significant extent by individual carriers” and hence the economic incentive and ability to use control to distort airline competition through such channels is absent. (United Comments at 6 and 8) Internet distribution channels do not share many of the attributes of CRSs, as Sabre claims (Sabre Comments at 18); rather, these online sites serve the same end-users (consumers) who are served predominantly by retail travel agents. Since the Department does not regulate travel agents using CRS networks, or otherwise regulate the commercial arrangements of travel agents and their customers or suppliers, the Department similarly should not regulate online travel distribution channels. (See Orbitz Comments at 37-40; United Comments at 7)

In contrast to the CRS industry, where there are only four alternatives, there are hundreds of Internet sites for consumers to use, including sites of carriers, “bricks and mortar travel agents”, CRSs and independent sites. If the information on one of those many available sites is incomplete, too hard to use, or biased in favor of one or more airlines, alternative sites are only a mouseclick away.

(Northwest Comments at 3; United Comments at 10)

The Association of European Airlines, Amadeus and Lufthansa recommend that the Department harmonize its CRS rules with the European CRS Code, and other parties suggest that the U.S. look to treatment of CRSs under the Canadian regulations. These recommendations demonstrate another reason to refrain from regulating the Internet: by definition, the Internet is trans-national, since anyone anywhere in the world can use an Internet site, no matter where it is located. As a result, it is difficult for any one country, or group of countries, to regulate it. (See generally "Consumer Protection in the Global Electronic Marketplace: Looking Ahead," Federal Trade Commission Consumer Protection Division Staff Report, September 2000) Additionally, while Continental agrees that the U.S. should consult with its aviation partners on aviation issues, the U.S. government should not cede its sovereign authority by conforming its CRS rules to one or more of those partners,

especially where the existing regulation by other countries is inconsistent and where no regulation makes sense.<sup>2</sup>

B. Internet Sites Should Not Be Required To Disclose Bias

Some commenters (e.g., American, Northwest) recommend requiring Internet sites to disclose if they are biased. Continental previously advocated the same position but rejected it based on the dramatic changes in the nature and variety of Internet travel services, their developmental state and their potential to benefit consumers and competition.

Before the Department could adopt an effective disclosure requirement, it would have to define the term “bias” and be prepared to undertake enforcement action for non-disclosure. Since the Department has not been able to take enforcement under the current CRS rules, Continental is skeptical that new rules would lead to such action. Additionally, it would be unfair and unreasonable to single out air transportation sales for special disclosure rules as long as other travel providers (e.g., trains, cruise ships, buses, rental cars, hotels) are not subject to the same rules. Since the Federal Trade Commission (“FTC”) regulates non-aviation travel providers under Section 5 of the Federal Trade Commission Act, uniform rulemaking could not be achieved without coordinated DOT/FTC efforts.

The FTC has used “creative consumer and business education” to protect consumers on the Internet. (Remarks by Jodie Bernstein, Director, Bureau of

---

<sup>2</sup> There are many differences between the European CRS Code and the Canadian CRS regulations themselves, which would make harmonizing them with U.S. CRS rules even more impracticable.

Consumer Protection, Federal Trade Commission, Workshop on Application of Rules and Guides to Electronic Commerce, May 14, 1999, at 1) Travel agents and organizations like Consumers Union can investigate and inform consumers about biasing just as competing websites do.<sup>3</sup>

C. Singling Out Emerging Internet Distribution Channels For Regulation Would Be Disastrous For Consumers and Competition

While all of the major U.S. airlines and Midwest Express warn about the danger of regulating the Internet and recognize the benefit Orbitz promises for consumers and competition, other commenters (including Sabre, Expedia and Travelocity.com) suggest that Orbitz and other potential websites which are owned (or marketed) by more than one airline should be regulated. As indicated above, Continental believes that no Internet distribution channels should be regulated. However, regulating one Internet distribution channel (Orbitz) or one type of Internet distribution channel (multi-airline-owned or marketed websites) but not others, would be contrary to the nearly unanimous view that DOT regulation of CRSs should be applied evenhandedly to all CRSs regardless of their particular circumstances.

Singling Orbitz out for regulation before it even books its first reservation solely because it has multiple airline investors would be highly speculative,

---

<sup>3</sup> The Department has already taken effective measures to educate the public on air travel issues, including the widely-distributed "Fly Rights" publication issued by the Department's Office of General Counsel. The Department should use this publication and other means of communication to consumers to continue the Department's educational efforts, not institute new regulations on Internet sites.



arbitrary and contrary to the Department's authority under 49 U.S.C. § 41712. As American notes, the FTC recently closed its investigation concerning Covisint, a joint venture involving five major automobile manufacturers, concluding that it would be premature to consider whether the joint venture had any potential for anti-competitive effects before Covisint had launched its site. (American Comments at 12 and Attachment H) Termination of the Covisint review showed that the FTC found nothing inherently problematic in the automakers' joint ownership of the Internet site. Formation of Orbitz does not present unique competitive problems, and Orbitz's stakeholders have incentives to maximize participation and provide unbiased displays of all airlines. (Delta Comments at 27) Orbitz is one of hundreds, if not thousands, of new Internet joint ventures in a variety of industries with vertically-integrated ownership and opportunities for substantial efficiencies available for participants. Orbitz will not become operational before June 2001. Today Orbitz has zero percent of the market. The hyperbole about Orbitz's expected domination of other Internet distribution channels is entirely fanciful, particularly in view of the current, actual Internet dominance of Microsoft's Expedia and Sabre's Travelocity.com and their exclusive tie-ins with the primary sources of CRS data.

Notwithstanding the scare tactics of those two potential Orbitz competitors and others who seek to cripple Orbitz, this new Internet site will increase opportunities for consumer choice, reduce fares and enhance competition in the CRS and air travel industries. Orbitz will "provide consumers comprehensive, absolutely unbiased searches and displays of airlines' flights and schedules." Its goal is "to provide absolutely unbiased displays of every airline's flights and fares, whether or

not an airline has an interest in or enters into an agreement with Orbitz.” (Orbitz Comments at 28) As American recognizes, Orbitz is needed so CRSs will not be able to dictate additional supra-competitive fees. (American Comments at 7) Orbitz will benefit airlines by returning “part of the CRS booking fee to every airline that participates in Orbitz as an associate”, and “[t]hat option is open on the same terms to all airlines.” (Orbitz Comments at 34) It is difficult to understand how regulation of Orbitz could be justified, or why the Department would want to stifle the potential benefits it is expected to bring to consumers and competition by aiming unnecessary regulation at this new Internet entrant.

Contrary to the assertions of several commenters (American Antitrust Institute, Consumer Alliance, Travelocity.com), the Orbitz agreement will not preclude airlines from making all fares available through other channels. The comments submitted by Orbitz and others show this is a preposterous suggestion. As an Orbitz investor, Continental confirms that “Orbitz has not entered into agreements and has no plans to enter into agreements with its participating carriers that would require those carriers to make fares available on Orbitz that they could not offer through any other channel.” (Orbitz Comments at 43) For its part, Continental remains free under its agreement with Orbitz to decide where it will offer any of its fares, and Continental will offer its fares through as many distribution channels as possible consistent with market penetration, cost and other

relevant factors. Orbitz and its owners have decided against exclusivity for business reasons, not because of any legal constraints.<sup>4</sup>

Continental would much prefer to see all Internet distribution channels left free to develop and flourish without regulation. If the Department is concerned about potential anticompetitive actions by Internet sites, however, the logical place to begin regulating is with Microsoft's Expedia and Sabre's Travelocity.com, the largest sites, which together control over 70% of the online travel agency sales and also have exclusive access to 90% of the portals used by consumers. Travelocity.com itself is the leader in online bookings and boasts that over half of all online travel shoppers visit its website. (Travelocity.com Press Release: "Forrester Study Names Travelocity.com the leader in one line travel; 51 percent of online travel shoppers visit Travelocity.com" (Sept. 7, 2000)) A Consumer Reports travel letter found that advertised airlines dominate flight listings on Travelocity.com and that Travelocity.com lists airlines which advertise on the site first 48 percent of the time, even when their fare is not lowest. (Consumer Reports travel letter, "Travel web sites: Look Around before you book" at 8 (October 2000)) Midwest Express cites display bias in Expedia which favors connecting flights of other carriers over

---

<sup>4</sup> The Department of Justice and the FTC recognize that various forms of exclusivity, full or partial, can be associated with efficiencies and pro-competitive benefits.

Midwest Express flights. (Midwest Express Comments at 6) Orbitz discusses how the two dominant Internet travel sites and their powerful parents have sought to preclude effective Internet competition (Orbitz Comments at 25-27). Shackling Orbitz or any other website with rules when Orbitz is on the brink of providing a marketplace solution that can discipline the oligopolistic CRS industry and Internet travel sector would deprive consumers of the better displays, technology and fares which competition will bring. With the prospect of a market- place solution close at hand, the Department should leave the entire Internet travel sector, and especially new entrant Internet travel sites, free of regulation.

II. THE DEPARTMENT SHOULD NOT REQUIRE AIRLINES TO  
OFFER ALL FARES TO ALL DISTRIBUTION CHANNELS

Continental strongly disagrees with Amadeus, Sabre and others (e.g., American Express, Balboa Travel, NBTA) that airlines should be required to provide all fares on all distribution channels. Like any other type of retailer or vendor, airlines should have the freedom to offer their various fares wherever it makes business sense, including offering consumers discount fares over branded or other Internet websites. Indeed, the Department has declared that, “[t]he pro-competitive policy directives of 49 U.S.C. § 40101 allow airlines to choose the channels for distributing their services as well as the prices and terms of sale for different channels, subject, of course, to the antitrust laws that govern firms in other unregulated industries.” (Order 2000-10-23 at 4-5)

The FTC similarly does not require retailers or vendors, online or otherwise, to disclose all prices through all distribution channels. In fact, the FTC publishes

online the Consumer Literacy Consortium's "66 Ways to Save Money," which encourages consumers to find the best fare not by waiting for it to come to them but by seeking it out: ("66 Ways to Save Money," Consumer Literacy Consortium, September 1998, at 1 (Electronic Edition at the FTC web site [www.ftc.gov](http://www.ftc.gov))) The Better Business Bureau's *BBBOnline* Code of Online Business Practices does not even require an online vendor to offer all of its prices to a distribution channel other than its own, much less every distribution channel. (See "Principles for Ethical Business to Customer Conduct," *BBBOnline* Code of Online Business Practices, January 2000)

### III. THE CRS RULES SHOULD BE RENEWED AND EXTENDED TO CRS MARKETERS

Virtually all commenters agree with Continental that the CRS rules should be retained for at least three years, and most commenters also agree that airline marketers should be subject to the same rules that apply to airline owners of CRSs.

Agreement that the CRS rules are still needed to protect competition and consumers comes from a broad and diverse spectrum of commenters including U.S. and foreign airlines (Alaska, America West, Association of Asia Pacific Airlines (consisting of Air New Zealand, All Nippon Airways, Ansett Australia, Asiana, Cathay Pacific, China Airlines, Dragonair, EVA, Garuda, Japan Airlines, Korean Air, Malaysia Airlines, Philippine Airlines, Qantas, Royal Brunei Airlines, Singapore Airlines, Thai Airways International and Vietnam Airlines), Continental, Delta, Lufthansa and Midwest Express), CRSs (Amadeus and Worldspan), travel agency commenters (American Express, ASTA, Balboa Travel, USTAR and

Woodside Travel) and others (American Antitrust Institute, Consumers Union, Expedia, and Travelocity.com). The Department should reject the minority view of Northwest, Galileo and United that the CRS rules are no longer needed.

The Civil Aeronautics Board began regulating CRS conduct because CRSs were essential facilities for airline distribution and because bias within these essential facilities adversely affected airline competition. CRSs are still essential facilities, and bias-for-sale adversely affects airline competition as much as bias-by-ownership. Reduction in airline ownership of these essential facilities does not “diminish the airlines’ need to use CRSs, the CRSs’ market power over airlines or the impact of bias in CRSs.” (American Comments at 28) As Orbitz points out, CRS competition has improved only slightly since the CRS rules were enacted. Today the CRS industry in the U.S. is an oligopoly of four firms, with one company (Sabre) controlling 45% of all bookings. (Orbitz Comments at 3) While the CRS rules have provided some benefits for airlines, travel agents and consumers, there is a continuing need to protect consumers and competition from CRS abuse, including display bias, excessive booking fees and unfair contracts with travel agents. (See Orbitz Comments at 5, 10-13) Without the rules, CRSs would merely trade owner-bias for purchaser-bias.

Delta agrees with Continental that “completely unregulated CRSs could again provide highly biased displays – without even a single neutral display option – effectively locking out disfavored non-allied carriers from travel agencies that had a subscriber agreement with that CRS.” (Delta Comments at 6) That would leave CRSs “free to sell bias to carriers, with the result being a balkanized system of

biased CRS displays, where the highest bidder would prevail,” thereby driving up “distribution costs and ultimately prices paid by consumers (by forcing carriers to pay for favored positions).” (Id. at 6)

American, Continental, and others have shown that the detrimental effect of CRS display bias on airline competition “is the same regardless of whether it results from system ownership, retaliatory conduct, or a promotion fee paid by a carrier.” (American Comments at 29) Even Northwest, which advocates sunset of the CRS rules, recognizes that each CRS has ties with one or more airline owners and “the same benefits are available to airlines that market a CRS without investing in that system.” (Northwest Comments at 4) While Section 255.2 makes clear that the CRS rules apply to airlines that “market computerized reservation systems for travel agents in the U.S.,” as well as system owners, not all of the obligations placed on system owners now apply to marketers. The Department should follow the advice of America West, Continental, Lufthansa, Northwest, Amadeus and others and extend the existing mandatory participation rule to CRS marketers.<sup>5</sup> For reasons discussed above in Part I, the Department should reject Sabre’s recommendation that the mandatory participation rule should apply to owners of multi-carrier websites.

Delta agrees with Continental that since “all CRSs operating in the United States have marketing and/or ownership affiliations with one or more air carriers,

the Department need not reach the question of whether it has authority to regulate a completely independent CRS.” (Delta Comments at 2); accord, Midwest Express Comments at 6) Since Sabre is marketed by both American and Southwest, there should be no doubt about the Department’s authority to regulate that system.<sup>6</sup>

Without question, the Department has authority to retain the CRS rules for the next three years,<sup>7</sup> and it should do so. When it readopts the CRS rules, the Department should extend all ownership obligations to CRS marketers.

#### IV. BOOKING FEES SHOULD APPLY ONLY TO ACTIVE SEGMENTS

As it has in the past, Continental agrees with America West and many other commenters that airlines should have to pay CRS booking fees only for active segments; that is, segments which result in ticketing (or e-ticketing), and Continental once again urges the Department to prohibit CRSs from charging booking fees for unproductive bookings.

Continental disagrees with America West that fees should only be charged for services for actual travel and instead renews its recommendation that the Department instead allow booking fees only for ticketed segments. The Department

---

<sup>5</sup> Continental’s support for retention of the mandatory participation rule to airline marketers of CRSs is discussed more fully at pages 9-11 of Continental’s Reply Comments, filed February 3, 1998, in this proceeding.

<sup>6</sup> Sabre concedes that “the Department has advised Sabre that we remain subject to the regulations because of our marketing agreements with American and Southwest.” Sabre Comments at 14.

<sup>7</sup> The Association of Asian Airlines recommends an annual review of the CRS regulations, but Continental believes review that often is unnecessary and would be both unworkable and unduly burdensome for the Department.



should also require CRS vendors to provide the source and type of each transaction. Limiting booking fees to transactions which result in ticketed segments is more realistic and less complicated than trying to determine the segments actually flown from boarding information. Because there is almost universal support for a ban on limiting booking fees to productive transactions, the Department should take action on this issue without waiting for the outcome of this proceeding.

V. THE DEPARTMENT SHOULD PROHIBIT TYING OF CRS  
AND INTERNET PRODUCTS

Continental disagrees strongly with Sabre that CRSs should be permitted to continue tying CRS and Internet products. As American, America West, Continental, Delta and Midwest Express show, such tying harms consumers because it increases airline distribution costs, which ultimately drive up the price of tickets. While tying advances the private, commercial interests of CRSs by allowing them to “cross-subsidize their Internet services with the profits they reap from charging participating carriers exorbitant booking fees” (Northwest Comments at 7), such tying is contrary to the public interest because it forces airlines to increase their distribution costs by buying unnecessary products and forces consumers to pay higher fares. Indeed, the public interest is far better served by allowing participating airlines the freedom to decide whether they want Internet products and to seek advantageous pricing for these auxiliary products. Prohibiting tying

will introduce new CRS competition for these auxiliary products and should lead to better products and lower prices for these services.<sup>8</sup>

There is no basis for Sabre's outlandish claim that the investment by airlines in the developmental Orbitz Internet site makes tying essential to the survival of "independent, neutral" Internet sites. (Sabre Comments at 27) Tying is useful only to CRS-operated sites like Sabre's Travelocity.com. Tying does not benefit smaller sites or sites without an affiliated CRS, and since Orbitz itself is not even operational yet, it has a zero share. In contrast, Sabre's Travelocity.com and Microsoft's Expedia already control over 70% of all sales of travel agents from Internet sites. Expedia and Travelocity.com also have long-term arrangements with the largest Internet portals that give "them an exclusive position on the portals used by 90% of all Internet users." (Orbitz Comments at 26) It is ludicrous to suggest that either Expedia or Travelocity.com needs protection from a start-up that is not yet operating. It is equally absurd for Sabre, which owns the pre-dominant Internet travel site to suggest that not-yet-launched Orbitz is a threat to Internet competition. As Continental and others show in their supplemental comments, just the opposite is true: Orbitz promises to provide benefits for consumers while bringing competition to the Internet and to CRSs.

---

<sup>8</sup> For reasons discussed at pages 13-14 of Continental's February 3, 1998 reply comments, the Department should reject Sabre's claim that its Internet CRS services and travel agency services are inseparable.

VI. THE DEPARTMENT SHOULD RETAIN SECTION 255.10(a)

ACAA, America West, American Express, ASTA, Balboa Travel Management, NBTA, Orbitz and Woodside Travel oppose sale of booking data without consent of the airlines or agents whose data are sold, and ACAA wants the Department “to immediately suspend section 255.10(a),” which requires CRSs to make booking data available to carriers on non-discriminatory terms. Continental believes Section 255.10(a) should be retained in its current form at least as long as CRSs remain essential facilities for travel agency sales of air transportation.

There is no effective way to scrutinize the dealings between an airline owner or marketer of a CRS and its related CRS. As long as any airline owns a fraction of a CRS or markets a CRS, the danger exists that the airline owner/investor/marketer will gain preferential access to valuable CRS data. As Delta says, “public availability of CRS booking data. . . enhances competition in the airline industry by making timely and accurate traffic data available to all carriers.” (Delta Comments at 31) With the data, carriers can “respond rapidly to changes in market demand, which optimizes service patterns, discount pricing and other incentives offered to consumers and agents. (*Id.*) Abolishing Section 255.10(a) or requiring consent of a carrier for release of data related to its sales would jeopardize these important pro-consumer and pro-competitive benefits.

CONCLUSION

The Department requested comments on two fundamental questions: “the effect of reduced ties between [CRS] systems and the airlines that have controlled them, and the advisability of regulating airline distribution practices involving the

Internet.” (65 Fed. Reg. 45551, 45556 (July 24, 2000) The record leaves no doubt that the reduced ownership ties between CRSs and airlines do not obviate the need for the CRS rules, and those rules should be fully applicable to CRS marketers. The record also shows that any regulation of the Internet would be ill-advised, unnecessary and contrary to the interests of consumers and competition. The Department should renew the CRS rules for three years, treat airlines that market CRSs as owners under the CRS rules, limit booking fees to active segments, and leave the fledgling Internet distribution free to provide the substantial benefits it promises for consumers and competition.

Respectfully submitted,

CROWELL & MORING LLP

/s/ R. Bruce Keiner, Jr.

---

R. Bruce Keiner, Jr.  
rbkeiner@cromor.com

/s/ Lorraine B. Halloway

---

Lorraine B. Halloway  
lhalloway@cromor.com

/s/ Thomas Newton Bolling

---

Thomas Newton Bolling  
tbolling@cromor.com

Counsel for  
Continental Airlines, Inc.

October 23, 2000