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## A message from Amadeus

Dear customer,

### **Update on the Lufthansa Group (LHG) Surcharge**

Following our first letter to you after LHG's announcement, we would like to give you another update.

Amadeus continues to be vocal in the market, following our strong statements in the press by Amadeus CEO, Luis Maroto when LHG's surcharge was announced. [Click here](#) for our latest interview in a leading German publication (FVW) that emphasizes our position regarding the surcharge.

Previously, Luis has shared how the surcharge will mean higher prices for travelers and how this is not about technology, but about commercial strategy. He emphasized the value delivered by the GDS and its partners, and the limitations of direct connect, especially regarding the needs of business travel.

The market has also rigorously opposed LHG's surcharge, with strong reactions from travel agencies, corporations, their respective associations and consumer protection associations. Travel agencies have felt deceived by LHG and this has led many to question their relationship with LHG.

A number of industry participants have questioned the legality of LHG's approach, and the impact on consumers' and corporations' ability to compare airline offerings in a transparent and neutral manner. Amadeus supports initiatives that protect consumers, and the principles of comparison, transparency, and neutrality, and we have been explaining our position to travel associations about the impact the surcharge will have on such principles.

Meanwhile, the feasibility of LHG implementing the surcharge in such a short timeframe is still unclear given that LHG has yet to share the details of the surcharge with Amadeus. We have raised a number of questions to LHG as a result.

In terms of LHG's commercial approach, we have seen that not all markets or agents will be subject to the surcharge. LHG has also hinted that direct connect alternatives might exist, sometimes offering commercial benefits for their adoption. LHG has already engaged with some of you and you will have already experienced the increased workload this means for you and the airline. As discussions evolve, you may also be tackling new topics such as content and economic guarantees, readiness and ease of alternatives, integration and maintenance costs, or approach to data. All these are important elements of your decision making.

Amadeus continues to strongly believe in the GDS and the service offered by travel agents to consumers and corporations. It is an efficient and cost effective channel, providing very significant value to travel agencies, travel providers and consumers alike.

As you know, Amadeus is also an airline IT provider, offering direct connect solutions as part of our Airline IT Solutions. LHG has had this technology for a long time but never deployed it, presumably because agencies never had an economic justification until now to adopt it. Regardless of the IT provider, this would be a LHG controlled channel commercialized, managed and supported under LHG's full responsibility.

Some of the key concerns travel agencies have raised with direct connects are: the agency's ability to seamlessly service their end customers' needs (given that the PNR would be owned by LHG, for example); the agency's ability to seamlessly integrate direct connects to enable true fare comparison; the very high costs of integrating customized solutions for airlines; and the higher cost of managing many diverse content definitions compared to today's standardized world of full content.

LHG has chosen an aggressive strategy, using an approach that is unilateral and dismissive of the needs of travel agencies. We can only hope that LHG will listen to the concerns of the market, and earn back the trust of the industry.

We are committed to work together with our partners to find a resolution. If you have any questions or comments, please do not hesitate to contact us.

Best regards,

A handwritten signature in black ink, appearing to be a stylized name or set of initials.

**Scott Gutz**  
President and CEO  
Amadeus North America

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