

From: Menke, Sean
Sent: Wed, 11 Oct 2017 08:50:34 -0500 (CDT)
To: Jones, Wade[Wade.Jones@sabre.com]
Cc: Shirk, Dave[Dave.Shirk@sabre.com]; Anderson, Clinton [Clinton.Anderson@sabre.com]; DiFonzo, Joe[Joe.DiFonzo@sabre.com]; Saoji, Vish [Vish.Saoji@sabre.com]; Gonzalez, Rachel[Rachel.Gonzalez@sabre.com]; Simonson, Rick[Rick.Simonson@sabre.com]
Subject: Re: IAG and AA NDC Media Coverage - Oct 10

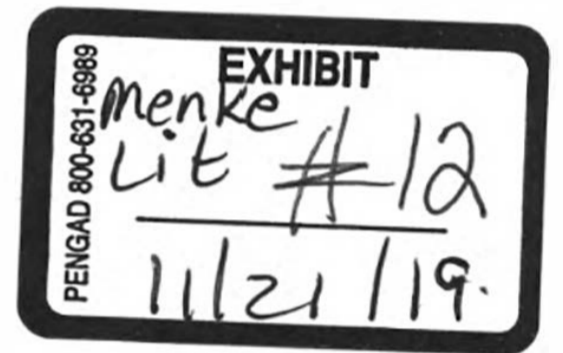
A lot of bluster. Just hung up with Graham. He worked for me at Air Canada. Can share in person.

Sent from my iPhone

On Oct 11, 2017, at 8:49 AM, Jones, Wade <Wade.Jones@sabre.com> wrote:

Following yesterday's announcement of an ATPCO/SITA NDC solutions, I asked Kathy to see what she could learn. A brief summary is below.

From: Morgan, Kathy
Sent: Wednesday, October 11, 2017 8:12 AM
To: Jones, Wade <Wade.Jones@sabre.com>
Subject: Re: IAG and AA NDC Media Coverage - Oct 10



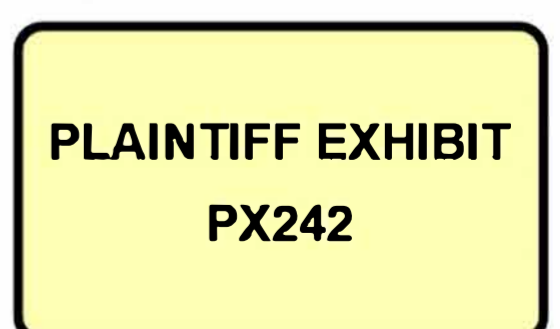
Hi Wade.

I've read everything I've been able to find on the ATPCO / SITA NDC Exchange solution, but the information is pretty high level. Based on what I've read, I'm not overly concerned. It is just another example of IT players trying to take advantage of the chaos NDC is creating in the market. Granted, ATPCO & SITA are notable players in this space, but we are in a much stronger position to get this right than they are.

The NDC Exchange solution sounds very much like a baby GDS, but with limited content and functionality. Our NDC solution will be a much more compelling than the NDC Exchange solution because we will integrate NDC sourced content (via our NDC Connector) with all of our existing content for a single, comprehensive, normalized, integrated, efficient solution.

Here are some additional details:

- NDC Exchange is a messaging hub that will translate and normalize XML message from different XML schemas (i.e., different versions of NDC, OTA based, Open Axis based) and combine this content with traditional content to create a single data source for shopping / booking / fulfillment - for participating airlines
- only 7 airlines have signed up to use it, 2 of them being Air Canada and BA
- no agency has signed up to pilot it
- I can't find any information about a UI layer, so it may be an API only solution, which would require agencies/OTAs/CBTs who want to use this content source to do the development to integrate it into their platform
- I couldn't find any information on delivery timeframe or commercial model



SABR-001021131

We should put this on our list of solutions to evaluate as a potential "partner" option for our NDC connector layer. I will discuss with my NDC + team.

Please let me know if you have any questions.

Kathy

On Oct 10, 2017, at 9:44 AM, Jones, Wade <Wade.Jones@sabre.com> wrote:

Do you know anything about the ATPCO offering? If not, can you do some digging?

Begin forwarded message:

From: "Wong, Pam" <Pam.Wong@sabre.com>

Date: October 10, 2017 at 7:35:48 AM PDT

To: "Menke, Sean" <Sean.Menke@sabre.com>, "Simonson, Rick" <Rick.Simonson@sabre.com>, "Samuel, John" <John.Samuel@sabre.com>, "Morgan, Kathy" <Kathy.Morgan@sabre.com>, "Jones, Wade" <Wade.Jones@sabre.com>, "Anderson, Clinton" <Clinton.Anderson@sabre.com>, "Jones, Jay" <Jay.Jones@sabre.com>, "Mendis, Roshan" <Roshan.Mendis@sabre.com>, "Chiames, Chris" <Chris.Chiames@sabre.com>, "Wilding, Chris" <Chris.Wilding@sabre.com>, "Ciancimino, Alessandro" <Alessandro.Ciancimino@sabre.com>, "Gonzalez, Rachel" <Rachel.Gonzalez@sabre.com>, "Williams-Ramey, Aimee" <Aimee.Williams-Ramey@sabre.com>, "Everly, Robin" <Robin.Everly@sabre.com>, "Charendoff, Bruce" <Bruce.Charendoff@sabre.com>, "Schwarte, David" <David.Schwarte@sabre.com>, "Marcus, Rick" <Richard.Marcus@sabre.com>, "Sievert, Barry" <Barry.Sievert@sabre.com>, "Boyle, Chris" <Chris.Boyle@sabre.com>, "Parker, Lindsay" <Lindsay.Parker@sabre.com>, "Hanson, Michael" <Michael.Hanson@sabre.com>, "Enstice, Tim" <Tim.Enstice@sabre.com>, "Flanigan, Paul" <Paul.Flanigan@sabre.com>, "Wilson, Emma" <Emma.Wilson@sabre.com>, "Vecchio, Antonella" <Antonella.Vecchio@sabre.com>, "Hallerberg, Eric" <Eric.Hallerberg@sabre.com>

Subject: RE: IAG and AA NDC Media Coverage - Oct 10

Hi ...some breaking news in addition to this morning's coverage. ATPCO and SITA have just launched an NDC marketplace called "NDC Exchange" for airlines & agencies. Air Canada & BA are currently piloting, no agencies yet. ATPCO and Henry Hardeveldt note that this could be a serious competitor to the GDS.

Also, following AMEX announcement, Amadeus has confirmed it is signing bilateral agreements w/ IAG. They also restated their commitment to NDC.

Travel Weekly (October 10)

ATPCO and SITA partner on airline distribution technology

The Airline Tariff Publishing Co. (ATPCO) and air transport technology company SITA have launched a marketplace for IATA's New Distribution Capability-supported airline product sales.

The companies said that NDC Exchange will enable airlines and travel sellers to more quickly and less expensively adopt NDC while supporting sales of complicated itineraries, such as interlining, which have thus far proven difficult with NDC-supported APIs.

Should it draw enough airlines, the marketplace could serve as a convenient shopping point for travel agencies searching for ancillary product offerings such as bag fees and bundled fares that NDC capability supports and that are largely unavailable at present in GDS systems.

"This is really about enabling airlines to connect to the marketplace in an easy fashion," said Graham Wareham, ATPCO's director of product portfolio.

Wareham said that seven airlines are already on NDC Exchange, though no leisure or corporate travel agencies have signed up yet. The service has been successfully piloted by several major airlines, including Air Canada and British Airways, ATPCO and SITA said.

Wareham explained that one of the complexities for airlines, GDSs and agencies that are developing NDC-supported direct connects is that companies have developed their APIs using a variety of programming structures, or schemas. For example, IATA, which developed the first NDC standard in late 2015, has put out four new schemas since then. NDC Exchange will translate messages sent between APIs built with pre-NDC platforms as well as with NDC schemas released by IATA in 2015 and this year.

Companies using the marketplace are therefore spared the effort of developing their own NDC-supported API.

"The work left with the seller and the airline is the commercial arrangement," Wareham said.

ATPCO and SITA aren't the first companies to release an NDC-supported marketplace.

Among their competitors are Ireland-based OpenJaw and German startup Flyiin, both of which offer several NDC products that provide shoppers with price comparisons and offers from multiple airlines.

Wareham said that ATPCO believes it is especially well positioned to develop such an exchange since it already works with 430 airlines collecting and distributing fare data. Several airlines own ATPCO.

NDC Exchange could pose a threat to GDS companies Amadeus, Sabre and Travelport, which are in various stages of developing their own NDC capability, said airline industry technology analyst Henry Hartevelde. Success, he cautioned, will depend on whether NDC Exchange offers quality functionality and good economics to airlines and travel sellers.

"What I see here is the first step toward a technology hub that could pose a credible challenge to the GDSs," Hartevelde said.

Wareham acknowledged that NDC Exchange could be a competitor to GDSs, but downplayed the notion.

Instead, he said that the marketplace is useful for the GDSs themselves. Joining NDC Exchange would allow them to more quickly develop NDC-supported connections with airlines, thereby ramping up their abilities to sell a more diverse offering of ancillary products. The GDSs could do this, Wareham said, even as they fortify their internal NDC infrastructure.

"We're not here to infringe on anybody's business, we're here to facilitate connections to the NDC standard," Wareham said.

BBT (October 10)

BA and Iberia reach GDS agreement with agencies

Following an announcement from American Express GBT, British Airways and Iberia have reached similar agreements with various travel agencies to allow clients to avoid some GDS booking fees.

The latest distribution agreement was made with Ian Allan Travel, Key Travel, Tropical Sky and Wexas, whose clients will be able to avoid an £8 surcharge on bookings made through Amadeus' GDS, which the airlines will introduce from November 1.

Ian Luck, BA's head of distribution, said: "We will continue to work with agents, GDSs and technology providers to ensure that our new capability content will have a strong market reach."

The news follows announcements made this week that similar agreements have been made with American Express GBT, HRG and the Lotus Group.

A spokesperson from Amadeus commented: "With IAG, we are facilitating bilateral agreements between the airline group and travel agencies using the GDS."

"In parallel, Amadeus is actively working with IAG and travel agencies to deliver on their NDC-related needs today and in the future. We are committed and already investing in integrating NDC into our platform and we are in talks with airlines and travel agencies in all segments and regions in order to create the best solution for the industry. Our objective is to ensure high adoption of NDC in the marketplace by meeting the business needs of all parties."

Amadeus strongly believes that indirect distribution remains the most cost-efficient solution for all parties on a global scale."

From: Wong, Pam

Sent: 10 October 2017 12:04

To: Menke, Sean <Sean.Menke@sabre.com>; Simonson, Rick <Rick.Simonson@sabre.com>; Jones, Wade <Wade.Jones@sabre.com>; Anderson, Clinton <Clinton.Anderson@sabre.com>; Jones, Jay <Jay.Jones@sabre.com>; Mendis, Roshan <Roshan.Mendis@sabre.com>; Chiames, Chris <Chris.Chiames@sabre.com>; Wilding, Chris <Chris.Wilding@sabre.com>; Ciancimino, Alessandro <Alessandro.Ciancimino@sabre.com>; Gonzalez, Rachel <Rachel.Gonzalez@sabre.com>; Williams-Ramey, Aimee <Aimee.Williams-Ramey@sabre.com>; Everly, Robin <Robin.Everly@sabre.com>; Charendoff, Bruce <Bruce.Charendoff@sabre.com>; Schwarte, David <David.Schwarte@sabre.com>; Marcus, Rick <Richard.Marcus@sabre.com>; Sievert, Barry <Barry.Sievert@sabre.com>; Boyle, Chris

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Subject: IAG and AA NDC Media Coverage - Oct 10

Hi – as expected, quite a bit of coverage following AMEX’s IAG announcement yesterday, which is contingent on the GDS’ agreeing terms with the airlines. Travel Weekly mentions Amadeus has already done so. In Spain, El Corte Ingles has also signed up to NDC, and there’s also coverage of Sean’s Beat Live comments in Dallas Innovates.

Corporate PR – Industry news report - NDC update

As of October 10

Travel Weekly (October 10)

BA and Iberia waive GDS fee for leading TMC

American Express Global Business Travel (GBT) has reached a deal with British Airways and Iberia to avoid the airlines’ surcharge on global distribution system (GDS) bookings to be imposed from November 1.

However, the travel management company (TMC) will continue to access BA and Iberia fares via GDSs.

BA global head of sales Stephen Humphreys confirmed: “We’re pleased to have agreed a model for bookings to be made through existing platforms without any additional charge.”

IAG-owned BA and Iberia announced in May that they planned to impose an £8 (€9.50) fee or ‘distribution technology charge’ on all GDS bookings from November.

American Express GBT clients will now avoid the fee in return for the TMC agreeing “a multi-year deal to work with the airlines on future GDS distribution” in line with airline association IATA’s new distribution technology (NDC) standard.

Rival travel management company HRG confirmed its own deal with BA and Iberia to avoid the GDS surcharge last week.

In a statement, American Express GBT said: “The agreement applies to all GDS bookings, though each GDS is required to agree to the new arrangement with the airlines.

“Until now, one GDS has done so. British Airways, Iberia and American Express GBT remain in active dialogue with the others.” The company did not identify the GDS.

It added: “American Express GBT, BA, Iberia and the GDSs will work together to evaluate how new distribution capabilities (NDC) could bring value to organisations using managed travel programmes.”

American Express GBT executive vice president for global supplier relations Michael Qualantone said: “This agreement recognises the value of our existing relationship as well as future opportunities that

may exist to bring value to clients and travellers using NDC.

"We continue to believe the GDS channel provides the best value to our clients and travellers, as it has the most comprehensive access to supplier content, the best pricing and shopping environment, and most cost-effective booking process.

"However, if there are valuable products the GDSs can't currently make available, it is important to explore alternative technology capabilities."

The BA and Iberia deal with Hogg Robinson Group (HRG) announced last week excludes the UK, Italy and Switzerland.

The airlines have announced similar deals with the UK-based Lotus Group, which operates DialAFlight and Supertravel, and leisure agency Travel Up.

As things stand, the £8 fee will apply to GDS bookings of BA and Iberia by other TMCs and travel agencies from November 1.

Lufthansa Group imposed a similar €16 'Distribution Cost Charge' on GDS bookings of Lufthansa, Swiss, Brussels and Austrian Airlines flights in 2015.

Travek Weekly (October 10)

AmEx clients won't have to pay British Airways/Iberia surcharge

American Express clients will not have to pay a surcharge on British Airways and Iberia bookings.

Starting Nov. 1, the IAG-owned airlines are levying a \$10 booking charge on GDS bookings. But customers of American Express Travel & Lifestyle Services, American Express Global Business Travel and select business travel franchise partners won't have to pay it because American Express GBT has agreed to work with the airlines on future GDS distribution, evaluating how IATA's New Distribution Capability "could bring value to organizations using managed travel programs."

"We continue to believe the GDS channel provides the best value to our clients and travelers, as it has the most comprehensive access to supplier content, the best pricing and shopping environment, and most cost-effective booking process," said Michael Qualantone, American Express GBT's executive vice president of global supplier relations. "However, if there are valuable products that the GDSs can't currently make available, it is important to explore alternative technology capabilities."

The deal is contingent on GDS companies' approval. Amadeus has agreed so far, American Express GBT said.

Travolution (October 9)

American Express GBT strikes deal to skip BA and Iberia GDS fee

American Express Global Business Travel will not have to pay a

booking fee on British Airways and Iberia air fares bought through global distribution systems (GDSs) after striking an agreement with the two airlines.

In May British Airways and sister carrier Iberia announced from November 1 they would impose an £8 fee for any flights bought through indirect channels, such as GDSs.

Now American Express GBT's clients appear set to avoid paying the controversial surcharge after agreeing a multi-year deal with BA and Iberia on future GDS distribution.

The agreement applies to all GDS bookings, though each GDS is required to agree to the new arrangement with the airlines.

Until now, one GDS has done so, while British Airways, Iberia and American Express GBT remain in active dialogue with the others.

Michael Qualantone, Executive Vice President, Global Supplier Relations for American Express GBT, said: "This agreement recognises the value of our existing relationship, as well as future opportunities that may exist to bring value to clients and travellers using new distribution capabilities.

Stephen Humphreys, British Airways Global Head of Sales, confirmed the airline hopes to extend this offer "to all customers booking through GBT".

BA and Iberia have also recently signed similar deals to wave the fee for fellow travel management company Hogg Robinson Group (HRG) and leisure agencies Lotus Group – which operates brands including DialAFlight and Supertravel – and Travel Up.

Dallas Innovates (October 6)

Sabre CEO: Standardization Leading Change in Airline Industry

The growth of low-cost carriers and downward pressure on airline ticket pricing are affecting the new technology landscape in the airline industry, Sean Menke, president and CEO of Southlake-based Sabre Corp. told a group of industry senior executives this week.

Menke said the development of the International Air Transport Association's New Distribution Capability is the first step in a series of changes that will affect how airlines market their services, and how travel agencies sell those services to consumers.

NDC is an industry-supported program for the development and market adoption of a new, XML-based data transmission standard.

XML allows users to define their own customized markup languages, especially to display documents on the internet.

Menke made the remarks at The Beat Live, the annual gathering of travel industry executives who represent airlines, hotels, and travel management companies, that was held Oct. 2-4 in Frisco.

"The conversations we have today with airlines and agencies are very different from our discussions even a few years ago."

Sean Menke

Among the changes that will be need to be addressed, are airline revenue management, ticketing fulfillment and servicing, as well as other back-office functions that travel agencies provide in support of airlines, Menke said in a Sabre news release.

"Sabre has a history of bringing together the interests of travel suppliers and travel retailers and finding ways for technology to move the industry forward," Menke said. "The conversations we have today with airlines and agencies are very different from our discussions even a few years ago."

He said that "forward-thinking people are focused on driving value creation for airlines and agencies alike. That's how we will make NDC work."

Menke said that in the coming months, Sabre will be examining how it will bring the new technology to market.

"We have no intention of giving up the technology leadership role we have played historically," he said.

Menke said Sabre remains committed to NDC standards, which he said focus on a new level of technology standards to help airlines offer more customized products and services to the market.

Sabre Corp., a technology provider for the travel industry, is currently Level 1 compliant with NDC standards, with plans to become Level 2 and Level 3 compliant in 2018.

El Economista (October 9)

Viajes El Corte Inglés connects to the NDC system adopted by Iberia and British Airways

Viajes El Corte Inglés announced on Monday its adhesion to the 'New Distribution Capability' (NDC) connection system, adopted by IBERIA (IBLA.MC) and British Airways, which will enable it to market both in Spain and in the rest of its offices all products and services of both airlines.

Thus, reservations made by the network of agencies Travel El Corte Inglés will not be subject to the supplement of 9.5 euros for each segment of tariff that will be applied as of next November 1 in the marketing of Iberia flights and British Airways that are not managed through an NDC connection.

According to Viajes El Corte Inglés in a press release, this marketing model "improves communication between airlines and travel agents and facilitates access to more complete content of the inventory and services offered by airlines." In addition, the purchase process "allows a better product differentiation with a shorter time to market".

Iberia's Sales Director for Spain, Víctor Moneo, said the agreement is "good news for our common customers," as "this technology brings more flexibility in marketing and more complete content to the end

customer, agents and airlines ".

Hosteltur (October 10)

Iberia is on track to add its NDC to half the agencies

Viajes El Corte Inglés has just joined the NDC of Iberia and British Airways, which means adding the first agency in the Spanish market, with a turnover of more than 2,000 million euros. This adhesion happens to that of other large agencies and the association ATICAV that gives service to SMEs.

The announcement by Iberia and British (IAG) that they will charge € 9.5 for booking in GDS, following Lufthansa as of November 1, continues to add connections of Spanish agencies to the IATA NDC to avoid that surcharge. The last connection has been the Viajes El Corte Inglés (VECI).

"This commitment reaffirms our commitment to offer the most innovative and effective technologies to its network of agencies around the world, always with the objective of providing the best service to its clients," said Jesús Nuño de la Rosa , CEO of Viajes El Corte Inglés. Meanwhile, Víctor Moneo, Sales Director Iberia Spain, commented: "We are very pleased with this agreement on the NDC with Viajes El Corte Ingles, good news for our mutual customers. This technology brings more flexibility in marketing and more complete content to the end customer, agents, and airlines. "

In this regard, it is worth recalling the previous connections of agencies to NDC, such as those of B the travel brand, Nautalia and IAG7 and some consolidator, in addition to the agreement signed between the association ATICAV and Iberia-British . ICTs associated with ATICAV provide services to SME travel agencies.

Amex agreement not to record GDS reservations

On the other hand, and on the same day, American Express Global Business Travel has announced an agreement with Iberia and British Airways "to avoid the booking surcharge via GDS". That is, companies will not charge this agency the use of the GDS even if it does not reserve via NDC. The agreement is "for several years" and is part of a broader trade agreement and also needs the agreement of the GDS to be effective.

However, American Express GBT sources add that "it will work together with British Airways, Iberia and the GDS to assess how the NDC could create added value for companies that have a corporate travel management program."

Nexotur (October 10)

Great success of Iberia and British in the process of adhesion of agencies to its system NDC

More agencies connect to the NDC (New Distribution Capability) connection adopted by Iberia and British Airways. Viajes El Corte Inglés, the first network in the Spanish market with a turnover of around 2,400 million euros, has just announced its incorporation into the

project, which guarantees access to it both in Spain and in the rest of its offices located in other countries of the world, to all the products and services of both airlines "with the advantages that this system contributes".

Barceló Viajes was the first network to announce an agreement with IAG

The agency headed by Jesus Nuño de la Rosa joins other large networks that have already signed the same agreement with the two airlines of International Airlines Group (IAG). The first to do so was Barceló Viajes (B the travel brand and BCD travel), which was later joined by Nautalia Viajes and IAG7 Viajes. In addition, both airlines have also signed an agreement with the ICT Association of Travel Agencies (ATICAV) and four of its software houses (Traveloop, Beroni, Iris and Ofimática) to facilitate the joining of NDC to small and medium-sized agencies.

This successful incorporation process draws even more attention if you take into account the criticisms of CEAV, which recently assured that both Iberia's NDC and its 'portal' of reserves "are unfinished and inefficient products. " As it published in exclusive NEXOTUR, the Confederation warns that the new options of reserve that will offer the airline "are not a real substitute of the GDS" and have "great deficiencies".

Moneo says 'this technology brings more flexibility'

The agreement with the two leading airlines of IAG will allow Viajes El Corte Inglés to avoid the surcharge of 9.5 euros for each tariff component, a measure that will take effect on November 1. In the words of its CEO, Jesús Nuño de la Rosa, "this adhesion to the NDC connection reaffirms El Corte Inglés's commitment to offering the most innovative and effective technologies to its network of agencies around the world, always with the objective to provide the best service to its customers. "

Iberia's sales director in Spain, Víctor Moneo, he is "very satisfied" with this agreement, "good news for our common customers." "This technology provides more flexibility in marketing and a fuller content to end customers, agents, and airlines, "he says.

Travel Quotidiano (October 10)

Resaneo presents novelties on ancillary and NDC

Twelve months after its debut on the Italian market, Resaneo Italia, the brand of the Vlc Travel Group in France, reconfirms its participation in Ttg Incontri, the low-cost, charter and online reservation platform for

B2B offers access to more than 600 airlines worldwide and thanks to a major technological investment, having achieved the first New Distribution Capability (Ndc) connection of Italian retailers with the Lufthansa group, today the portal offers 27 direct connections with the same number of carriers booking systems.

GDS integration and direct connectivity also allow you to offer a wide range of ancillary services such as extra baggage, seating, airport assistance, or special equipment, which can be booked with a simple click.

"We have worked many months to optimize and adapt a product that meets the needs of the Italian market both from a content point of view and from pricing," says Gregory Sicignano , Country Manager Italia - We arrive in Rimini with new direct connections, new features and new trade agreements to be shared with travel agencies. "

During the three days of Rimini, the team of Resaneo Italia will be committed to meeting the adv at the fair to announce the upcoming season and promote the booking system through live training and introductory presentations.

END OF NEWS REPORT