



American Society of
Travel Advisors

A Message from the Desk of President & CEO, Zane Kerby

February 22, 2024

ASTA Member,

As you may be aware, American Airlines (AA) [announced](#) this week it will stop awarding AAdvantage loyalty points and the earning of miles for customers booking through non 'preferred' agencies starting May 1, 2024. This latest development doubles down on American Airlines' clear disregard for the travel agencies that distribute its service.

OUR FRUSTRATIONS BEGAN WITH AMERICAN AIRLINES' SLAPDASH IMPLEMENTATION OF NEW DISTRIBUTION CAPABILITY (NDC).

Last April, [AA forced an underdeveloped technology](#) onto channel 'partners.' Nearly a year after its self-imposed NDC launch date, problems associated with basic servicing functions such as comparative shopping, split tickets, limitations on cancellations, booking multiple people on the same itinerary, and rebooking remain, creating extraordinary challenges for agencies and their travelers as they attempt to distribute American Airlines' services to the traveling public.

ASTA filed a [formal complaint](#) with the Department of Transportation (DOT) against AA alleging unfair practices in connection with its implementation of NDC, including the removal of 40 percent of its fare inventory from non-NDC channels. In turn, AA filed a response to the complaint, followed by a by ASTA.

WE AREN'T OPPOSED TO PROGRESS. WE AREN'T OPPOSED TO NEW MERCHANDIZING MODELS.

What we're opposed to is monopolists abusing their market power to force change that no one, including AA itself, is ready for. And, because of their monopoly power, making everyone else pay - including the consumer - the price for said change.

Much more is at stake here than just a fight over new technology, as reckless implementation has served to further reduce competitive pressure on the airline, a move that should be extremely concerning to the government. That's why we asked DOT to step in and have also [asked our members to do the same](#).

In a properly functioning market, a supplier that removed 40 percent of its inventory from a key distribution channel would suffer an immediate loss of business. But the domestic airline industry is not a properly functioning market. This is evidenced once again by AA forcing another arbitrary deadline on the travel agency community whose job it is to support the traveler in ways the airline can and does not.

WHAT DO WE KNOW ABOUT THIS LATEST DEVELOPMENT WITH THE AADVANTAGE PROGRAM?

As of April 21, many travelers - business and leisure - will no longer earn miles and AA loyalty points because the agencies through which they book cannot meet the unreasonable NDC adoption threshold that AA has established and still support the traveler in ways the traveler has come to expect. Eligibility for a travel agency to reach preferred status under AA's new terms is not clear and seems to be set unrealistically high. There will be additional steps that agencies must take to not only implement NDC, but also sell 30% of their American tickets via an NDC channel by April 21. That percentage of sales will increase to 50% by October 31.

We know that our members have more questions than there are answers.

This is yet another maneuver to force NDC onto an industry that is not ready. A year later, we have yet to see a reasonably functioning product in the market. The

consequence will be straightforward in that agencies and the ecosystems that support them that cannot meet these criteria will be delisted from preferred status, and most agencies will not be able to meet this deadline.

WHAT IS ASTA DOING ABOUT THE NEW AADVANTAGE PROGRAM?

We made numerous attempts to express our concerns to AA and persuade it to slow the rollout of NDC. Implementing new technologies across various ecosystems is difficult, time consuming, and expensive – particularly for agencies that lack the deep pockets of larger, more resourced retailers.

Yesterday we gathered our Corporate Advisory Council to discuss this latest development. We plan to host another emergency meeting with these stakeholders in the coming weeks to discuss further action. **We will continue to explore all available responsive options.**

WE WANT TO HEAR FROM YOU.

Are you considered a preferred agency under AA's current policies but fear losing that status? Are you concerned about meeting the deadline to satisfy the new eligibility criteria and your customers' ability to continue to earn loyalty points? Are AA's new eligibility criteria clear for you and your agency? Has NDC adversely impacted your business? If you answered yes to any of these questions, we want to hear from you. Send your feedback to Govtaffairs@asta.org.

As always, ASTA is in your corner. You can rest assured that we are committed to doing everything in our power to advocate for your interests.

Sincerely,



Zane Kerby
President & CEO
American Society of Travel Advisors