

April 10, 2024



STATEMENT ON AMERICAN AIRLINES' NEW POLICY

The Association of Canadian Travel Agencies and Travel Advisors (ACTA), representing Canada's travel agency and independent travel advisor community, strongly opposes American Airlines' decision to block loyalty points earnings for bookings made through “non-preferred” channels effective May 1st, 2024. This move directly restricts consumer choice and undermines the critical role of travel agencies and advisors in the industry value chain.

By tying loyalty rewards to direct bookings or bookings through a limited number of preferred agencies, American Airlines is severely limiting the channels through which consumers can earn loyalty points. This decision will inevitably steer customers away from travel agencies and advisors who are uniquely positioned to advocate for their interests and provide comprehensive, competitive travel options. Consumers depend on travel agencies and advisors to provide expert guidance, unbiased advice, and a wide array of travel options tailored to their individual needs and preferences. Restricting the ability to earn loyalty points through these channels will undoubtedly disadvantage consumers who value booking through their trusted travel partners.

Furthermore, this decision will have far-reaching consequences for the openness and competitiveness of the travel marketplace. By leveraging its position to restrict consumer choice, American Airlines is engaging in practices that will lead to higher prices, stifled innovation, and a less dynamic travel industry.

In addition to the concerns regarding loyalty points, ACTA asserts that American Airlines' attempt to force the adoption of New Distribution Capability (NDC) on the travel industry will have severe unintended consequences for travel agencies, advisors, and consumers. While ACTA recognizes the potential benefits of NDC and supports technological advancements in the travel industry, we have grave concerns about the way American Airlines is implementing this change.

Moreover, the requirements set by American Airlines for agencies to achieve "preferred" status are excessively stringent and fail to consider the diverse capabilities and resources of travel agencies across the country. The expectation of a 30% NDC usage threshold by April 21st, 2024, and 70% by April 30th, 2025, is simply not feasible for many travel agencies and advisors, particularly smaller independent businesses, to meet within the specified timeframe. This move will disproportionately impact agencies that lack the technological infrastructure or resources to comply with these onerous requirements.

ACTA urges American Airlines to reconsider this decision and engage in a meaningful dialogue with the retail travel community to find a more balanced approach to NDC implementation and loyalty program changes. We firmly believe that any changes must be a collaborative process that considers the needs and concerns of all stakeholders, rather than a unilateral mandate.

Our organization remains steadfast in its commitment to working with all parties involved to develop solutions that promote innovation, efficiency, and customer satisfaction while maintaining a fair and competitive marketplace. However, we vehemently oppose any action that disregards the interests of travel agencies, advisors, and consumers. Only by working together can we forge a path forward that protects consumer choice, embraces technological advancements, and ensures a thriving and competitive travel industry for all Canadians.

A handwritten signature in black ink, appearing to read 'Wendy Paradis', is written over a light grey circular stamp.

Wendy Paradis, President
Association of Canadian Travel Agencies and Travel Advisors