

Online travel sites seek to ground Google-ITA deal

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Google's European headquarters are pictured in Dublin, Ireland. Expedia and other members of the FairSearch.org coalition are urging the Justice Department to block the Google-ITA deal -- just as it did in November 2008 with the Google-Yahoo! advertising agreement.

When Google and Yahoo! forged an advertising pact in 2008, Thomas Barnett headed the anti-trust division of the US Department of Justice, which stepped in and torpedoed the deal.

Fast forward to today and Barnett, now in private practice, again has [Google](#) in his sights.

Barnett is serving as counsel for Expedia.com, which has joined with several other online travel websites in an effort to ground Google's proposed \$700 million acquisition of flight information company ITA Software.

Expedia and other members of the FairSearch.org coalition are urging the Justice Department to block the Google-ITA deal -- just as it did in November 2008 with the Google-Yahoo! advertising agreement.

They are claiming that Google's purchase of ITA would give the Internet search giant too much control over the lucrative online travel sector and lead to higher prices and fewer choices for consumers.

"You're taking the dominant flight search engine company, which is ITA, and you're combining it with the dominant online search company, which is Google," Barnett told AFP.

"You're going to end up with a combined entity that will be positioned to come in and dominate the online travel search space."

Steve Kaufer, president and chief executive of TripAdvisor, an Expedia brand and ITA client, said competition is needed to keep airline ticket prices down.

"Fares stay low generally because consumers are able to find a wide range of fares from a wide range of airlines on a wide range of sites," Kaufer said.

A Google takeover of ITA could lead to "only one place to shop," he said, "and that might be good for Google but it's anti-consumer."

Other FairSearch.org members include Hotwire, another [Expedia](#) brand, Kayak and its brand SideStep, Sabre Holdings and its brand Travelocity, Microsoft, Foundem of Britain, France's Level and Farelogix.

ITA Software, a 500-person firm founded in 1996 by Massachusetts Institute of Technology computer scientists, specializes in organizing airline data, including flight times, availability and prices.

ITA flight data software is used by many US airlines and a number of leading online travel sites, including Expedia's Hotwire and TripAdvisor, Kayak, Orbitz and Microsoft's Bing search engine.

Google said the ITA acquisition would help it create new tools that will make it easier for consumers to search for travel, compare flight options and prices and drive more customers to online travel agencies.

The Mountain View, California-based company has said it has no plans to sell airline tickets or set airfare prices.

Robert Birge, chief marketing officer for Kayak, said ITA offers a "unique and irreplaceable asset, one that the industry has come to rely on."

Google's ownership of ITA would allow it to limit access to the company's products, Birge said, "either by not renewing licensing agreements or by not passing along upgrades."

He also voiced fears that because of Google's online search dominance, "if someone is searching for something like cheap flights, Google could intercept that with their own product."

Barnett said the Justice Department could put restrictions on the Google-ITA deal to protect competition, but they would be difficult to monitor or enforce.

"In this case, the best answer really is to block the transaction," he said, adding that a [Justice Department](#) decision is expected "virtually anytime."

Birge said Kayak has attempted to open discussions with Google and ITA about renewing the company's ITA agreement, which expires at the

end of 2013.

"We said we'd like to get the contract extended on equitable terms, to get assurances that we're going to continue to get upgrades, to get assurances that our intellectual property will be protected," he said.

Orbitz, however, which is not a FairSearch.org member, had its agreement with ITA renewed last month, through December 2015, in a move seen as dealing a potential blow to the opponents of the acquisition.

In another development since the Google-ITA deal was announced in July, Microsoft announced last week that Kayak will power travel search in Bing.

Commenting on the Kayak-Bing move, a Google spokesman told AFP: "This is just the latest evidence of how fast things are evolving in online flight search, and how much room there is for other players to compete.

"We're eager to bring more competition and choices for consumers searching for flights online," the spokesman said.

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