COMMISSION

COMMISSION DECISION

of 21 August 2007

declaring a concentration compatible with the common market and the functioning of the EEA Agreement

(Case COMP/M.4523 — Travelport/Worldspan)

(notified under document number C(2007) 3938)

(Only the English text is authentic)

(Text with EEA relevance)

(2007/781/EC)

On 21 August 2007 the Commission adopted a Decision in a merger case under Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings [1], *and in particular Article 8(1) of that Regulation. A non-confidential version of the full decision can be found in the authentic language of the case and in the working languages of the Commission on the website of the Directorate-General for Competition, at the following address: http://ec.europa.eu/comm/competition/index_en.html*

I. SUMMARY

(1) Travelport LLC, a subsidiary of the Blackstone Group (Blackstone, USA), operates Galileo — a global distribution system (GDS) and Gulliver's Travel Associates. In addition, Travelport operates a number of online travel agencies and websites, including ebookers, Orbitz, Cheaptickets, Octopus Travel, HotelClub and RatesToGo.

(2) Worldspan Technologies Inc. (Worldspan) provides travel distribution services through the Worldspan GDS. The company focuses on providing GDS services to on-line and, more recently also traditional travel agencies, primarily in the leisure sector. Furthermore, Worldspan provides IT services to airlines (e.g. internal reservation systems and flight operations technology services).

(3) Pursuant to the operation, based on a referral pursuant to Article 4(5) of Council Regulation (EC) No 139/2004 (the Merger Regulation) Travelport acquires within the meaning of Article 3(1)(b) of the Merger Regulation control of the whole of Worldspan by way of purchase of shares.

(4) The Commission's market investigation has revealed that the proposed concentration will not give raise to any competition concerns as a result of which effective competition would be significantly impeded in the Common Market or in a substantial part of it.

II. EXPLANATORY MEMORANDUM

II.1. Relevant Product Market and Possible Alternative Market Definitions

(5) In previous cases, the Commission has defined a GDS as a tool provided to travel agencies (TAs) in order to allow them to obtain information and make reservations related to travel service providers (TSPs), i.e. airlines, hotels and rental car firms, who in turn supply the GDS with data on the products they provide.

(6) The product market affected by this transaction is defined in the Decision as the market for electronic travel distribution services through a GDS. This market is of a two-sided nature, with two separate customer categories. GDS providers act as intermediaries, allowing on the one hand TSPs, (upstream of the GDS provider) to distribute their travel content to TAs and ultimately to end-consumers and on the other hand TAs (downstream of the GDS provider) to access and book travel content for the end-consumers. The in-depth investigation has confirmed these characteristics of the product market.

(7) The Commission has assessed whether — as the notifying party has stated — the relevant product market consists not only of the GDS providers themselves but also of alternative technologies by which GDS providers can be by-passed and their use avoided. These alternatives are (i) meta search engines, (ii) direct links, (iii) so-called 'GDS New Entrants' (GNEs) and the (iv) 'supplier.com'.

[1] OJ L 24, 29.1.2004, p. 1.

(8) The inclusion of the first three in the relevant product market is dismissed in the Decision, since the in-depth investigation has clearly shown that they are either not real GDS substitutes, or that their presence and/or impact in the EEA is very limited. In order to determine whether the services provided via 'supplier.com' are substitutable to GDS services and would be part of the same product market, a complex assessment covering both sides of the market has been carried out.

(9) On the upstream side of the market, 'supplier.com' allow TSPs to significantly reduce their average and marginal distribution costs, since they ultimately save the booking fee charged by the GDS as well as the possible booking commission paid to the TA doing the GDS booking.

(10) Conventional airlines are thus able to compete better with Low Cost Carriers (LCCs), whose main channel is 'supplier.com'. An additional incentive for TSPs to promote 'supplier.com' is the fact that comparison-shopping between TSPs by the end user becomes more difficult as individual web-sites have to be consulted. This partially explains the growth of supplier.com in recent years. According to IATA data, on average, 25 % of all bookings of the 20 largest airlines in the EEA were direct bookings in 2005 (compared to 20 % in 2004 and 16 % in 2003).

(11) The in-depth investigation has shown that the extent to which TSPs are able to shift bookings away from GDS providers to their 'supplier.com' varies considerably, according to the business model chosen by the TSP. It is also dependent on the size and behavioural profile of its end-consumer base, which is to some extent 'captive' to travel content distribution through a GDS.

(12) On the downstream side of the market, when booking through a GDS, TAs receive substantial incentive payments by the GDS providers but also possible booking commissions paid by the TSPs. This revenue will be lost if TAs book though a 'supplier.com'. In order to compensate this loss of revenue, TAs would need to charge the end-user a service fee (which in its turn gives the end-user the incentive to book his tickets himself via 'supplier.com' instead of the TA, further decreasing the revenues of the TA). Therefore, the Commission concludes in the Decision that TAs have strong incentives to keep using a GDS and not to substitute bookings via GDS with bookings via 'supplier.com'. The Commission in-depth investigation has also confirmed that TAs consider that using 'supplier.com' is cumbersome and lacks the versatility of inventory and price comparability offered by GDSs.

(13) Considering that substitution upstream is only partial, leaving substantial volumes of TSP's bookings 'captive' for the GDS providers and the fact that downstream substitution is very limited, the Decision concludes that 'supplier.com' should not be included in the relevant product market in which GDS-providers are active.

(14) The Decision recognises however that the rapid uptake of 'supplier.com' has an impact on the competitive conditions in the market for GDS services and constrains the market behaviour of the merged firms.

II.2. **Relevant Geographic Markets**

(15) The Decision defines the geographic market delineation of the upstream side of the market as EEA-wide. The global agreements between TSPs and GDSs normally include separate regional pricing schemes for the EEA, the US and other parts of the world. Booking fees paid by TSPs for a booking made in a GDS are substantially higher in the EEA than in the U.S. Moreover, the EEA market is regulated by the EU Code of Conduct, whereas the US market was deregulated in 2006. Finally, the market shares of the GDS providers vary substantially depending on the region and the country concerned. Therefore, the Commission concludes in the Decision that the competitive conditions in the EEA and the US differ significantly.

(16) The Decision defines the downstream side of the market as national in scope, since market shares of the GDS providers vary significantly between Member States. This is in line with previous Commission Decisions and is confirmed by the market investigation. Almost all TAs — often including online TAs — are still active in only one country, with the exception of a few TAs which have pan-European (or worldwide) activities. The subscription fees that TAs pay for the use of a GDS and the incentive payments they receive also vary between countries within the EEA. In addition, Amadeus and Galileo have established national sales and service points in almost all EEA Member States, in order to better serve the specific national markets.

II.3. **Competitive Assessment of theories of harm**

II.3.1. *The theories of harm*

(17) In its Decision of 3 May 2007, the Commission found that the notified concentration raised serious doubts as to its compatibility with the common market and the functioning of the EEA agreement. The Commission accordingly initiated proceedings pursuant to Article 6(1)(c) of the Merger Regulation.

(18) In the Article 6(1)(c) Decision it was argued that the merger could theoretically lead to non-coordinated as well as coordinated effects. As regards non-coordinated effects, the Commission identified three theories of harm which it considered *prima facie* plausible. In addition to assessing the risk for coordinated effects, the Commission focused its in-depth investigation of non-coordinated effects on assessing whether:

(i) the merger would allow the parties to use their strong market position downstream *vis à vis* TAs in order to increase prices *vis à vis* TSPs upstream (vertical cross market effects);

(ii) the merger would eliminate Worldspan as the alleged 'pricing Maverick' and therefore lead to post-merger price increases;

(iii) the merger would allow the parties to exploit their post-merger market power *vis à vis* TAs in Member States in which Galileo/Worldspan would have high market shares.

II.3.2. *Vertical cross-market effects (multi-homing vs. single-homing)*

(19) During the initial stage of the investigation, concerns were raised that Galileo/Worldspan would be able to leverage its post-merger market power *vis à vis* TAs in a number of national downstream markets, in order to strengthen its bargaining power in relation to TSPs operating on the upstream EEA market. This possibility to leverage market power may be labelled as a 'vertical cross-market effect'. Such an effect could be described as follows.

(20) After the merger, Galileo/Worldspan would obtain large market shares with significant increments on the downstream side of the market in Ireland, the UK, Italy, the Netherlands, Hungary and Belgium (see section on the downstream side of the market below).

(21) If a TSP has a particular interest in having an extensive distribution network in a Member State where the merged firm would have a broad TA network, Galileo/-Worldspan could possibly leverage its downstream market share in that Member State in order to gain concessions from the TSP when negotiating a worldwide agreement. In other words, the bargaining position of the merged firm *vis à vis* TSPs could result in greater market power than Galileo/Worldspan's upstream market share of (20 to 30 %) in the EEA would suggest. This bargaining power could possibly allow the combined entity to raise prices unilaterally post merger.

(22) The market for GDS services is characterised by a platform facing 'multi-homing' on one side and 'single-homing' on the other. TSPs generally use 'multi-homing', as they have to distribute their content via all four GDSs in order to obtain the desired market coverage, whereas most TAs use 'single-homing', as one GDS suffices in most cases to provide them with the needed TSP content.

(23) As long as TAs use 'single-homing', GDS providers have exclusive access to TAs belonging to their respective TA networks. Each GDS provider therefore has a certain degree of monopoly power in relation to TSPs that need to reach the TAs exclusively connected to one GDS. This monopoly power allows the GDS provider to charge higher prices to TSPs. These 'monopoly rents' extracted from TSPs are to a large extent used to cover the financial incentives granted to TAs.

(24) The Commission has however found that the bargaining interaction between GDS providers and customers on both sides of the market has started to change. TSPs and TAs have recently increased their bargaining strength relative to GDS providers. These changes in the relative bargaining power result from (i) a consolidation among TAs, (ii) the introduction of direct bookings via 'supplier.com' and (iii) surcharges imposed by TSPs.

(25) Apart from the threat to withhold travel content via 'supplier.com', TSPs have developed an additional tool to put pressure on GDSs. By applying, or threatening to apply surcharges to TAs, TSPs may influence the use of a specific GDS and make it lose volumes in favour of either 'supplier.com' or another GDS.

Impact of the merger

(26) The reduction in the number of GDS providers is unlikely to lead to price increases as a result of 'vertical cross-market effects' of the market for the following reasons.

(27) On the TSP side, the in-depth investigation confirms that TSPs are capable to force GDS providers to lower their prices in exchange for full content, or alternatively, in order to avoid surcharges being applied on their contracted TAs. Airlines in particular have developed a number of bargaining tools (especially, but not only, 'supplier.com') allowing them to retain part of their surplus in the negotiation with GDS providers. Even in a situation with only three GDS providers, none of them will be able to increase prices because TSPs will maintain a strong enough bargaining power, based on (i) the capacity to channel bookings towards the 'supplier.com' websites, (ii) the surcharges imposed on TAs, (iii) the brand recognition in the home market(s) and (iv) the possibility to develop new bargaining tools in the future. Therefore, the Commission concludes in the Decision that a reduction in the number of GDS providers from four to three does not increase the likelihood of unilateral price increases as a result of 'vertical cross-market effects'.

(28) This conclusion also applies to other TSPs, such as rental car companies and hotel chains.

(29) On the TA side, a sufficient number of GDS platforms will remain available to TAs and switching costs are not an insurmountable obstacle to choosing another GDS provider. The fact that GDS providers need to create and maintain a sufficiently broad network of TAs in order to generate demand on the TSP side, leaves TAs in a favourable bargaining position *vis à vis* GDS providers even after the elimination of one of them.

(30) In the Decision, the Commission concludes that these elements (effective bargaining power of the TSPs and on-going or possible development of additional bargaining tools) suffice to counter the potentially detrimental effect of the merger in terms of the reduction from four to three GDS providers as well as the potential occurrence of vertical cross-market effects.

II.3.3. *Loss of Worldspan as 'pricing maverick'*

(31) A second theory of harm investigated by the Commission relates to Worldspan acting as a 'price maverick' in the EEA, charging lower prices than its competitors (Galileo, Sabre and Amadeus). During the market investigation, concerns had been expressed that, following the loss of competition between the merging firms, Worldspan's prices would be increased and aligned to those charged by Galileo.

(32) The Commission's in-depth investigation shows however, that this theory of harm cannot be upheld. In order to conclude that the merger would be likely to lead to significant post-merger price increases by Worldspan it would have to be shown that pre-merger Worldspan's prices are significantly lower than those of its competitors, in particular Galileo, and that the merging parties would have the incentives and ability to increase Worldspan's prices post-merger.

II.3.3.1. Worldspan is not charging lower prices

(33) The notifying party submitted a comparison of the merging parties' most basic types of booking for 2006: Galileo's 'Active Net Segment' with Worldspan's 'Full Service'. This shows that Worldspan's list price is actually […] than Galileo's list price for […] types of 'Full Service' booking alternatives. Further, if Worldspan's fees for each booking category are weighted as an average across all bookings according to the relative weight of each of the four categories of Worldspan pricing under its 'Full Service' functionality level, the result is USD […], while Galileo's Active Net Segment price for 2006 is USD […].

(34) The Commission therefore concludes in the Decision that in most cases Worldspan is not the lowest priced GDS for TSPs. Generally, there is always a cheaper alternative present on the market than Worldspan.

II.3.3.2. Worldspan has lost market share

(35) Another reason why, according to the notifying party, Worldspan does not qualify as a price maverick, is because its alleged low pricing policy has not allowed Worldspan to aggressively expand its market presence. The notifying party argues that, on the contrary, as the smallest GDS in the EEA for more than five years, Worldspan's market share in the EEA has not showed any signs of growth.

(36) The evolution of Worldspan's market share between 2003 and 2006 shows a decrease by (0 to 5 %) in the upstream market (EEA). In relation to the downstream market, Worldspan's market shares have remained relatively stable, with annual average increases/decreases of approximately (0 to 5 %) or less, with the exception of Hungary, where growth took place between 2004 and 2005. Contrary to what one would expect from a company which is alleged to be a maverick, Worldspan's markets shares do not show general signs of growth.

(37) Finally, according to the notifying party, Worldspan can not be considered as a price maverick in the EEA, since it acts rather as a price taker than as a price setter. The notifying party refers *inter alia* to the fact that other GDSs were first in the EEA in concluding full content agreements with five of the major EEA airlines. This is confirmed by the in-depth investigation.

II.3.3.3. Galileo/Worldspan are not each others' closest competitors

(38) The notifying party considers that the scope for price increases by Worldspan's prices post merger is further decreased by the fact that Galileo and Worldspan are not each others' closest competitors on the EEA market.

(39) The in-depth investigation confirms that Galileo is generally perceived by TSPs as stronger in corporate travel, while Worldspan is stronger in leisure travel and on-line TAs. Downstream, the vast majority of the TAs considers Amadeus as the closest competitor of both Galileo and Worldspan.

II.3.3.4. There are no incentives for Worldspan to increase its prices post-merger and align them to Galileo's prices

(40) The fact that the merging parties are not each others' closest competitors reduces the incentives for the parties to increase Worldspan's prices post-merger. Moreover, the decreasing pre-merger margins of the parties indicate that the scope for higher post-merger prices is limited.

(41) The likelihood of higher post-merger prices upstream is further reduced by the fact that such a price increase would trigger a potential withdrawal of content from Worldspan's GDS by the TSPs or the imposition of surcharges by the TSPs on TAs which use Worldspan.

(42) In summary, the Commission's in-depth investigation shows that there is insufficient evidence to conclude that Worldspan charges lower prices than its competitors and that it would act as a price maverick. As a result, the Decision concludes that it is unlikely that the transaction would lead to an increase of Worldspan's prices.

II.3.4. *Very large market shares of the parties on the downstream side of the market*

(43) As regards the downstream side of the market, the transaction would lead to high market shares (above 40 %) in six Member States, with significant increments. In these six Member States the market shares in 2006 range from (40 to 50 %) to (70 to 80 %).

Member State	Galileo	Worldspan	Combined market share
Belgium	[20-30]	[10-20]	[40-50]
Hungary	[20-30]	[20-30]	[50-60]
Ireland	[50-60]	[10-20]	[70-80]
Italy	[40-50]	[0-10]	[40-50]
The Netherlands	[30-40]	[20-30]	[50-60]
United Kingdom	[40-50]	[10-20]	[50-60]

(44) The size of the high combined market shares in these six Member States could potentially allow the parties to behave independently of their competitors and customers post-merger and exploit their commercial relationship with TAs.

(45) However, the in-depth investigation shows that the merger will not allow the merged firms to exert market power on the TAs in those national markets where the transaction will lead to high joint market shares.

II.3.4.1. Downward trend of Galileo's market share

(46) The notifying party argues that Galileo has lost significant market shares in each of the Member States where traditionally it had an important share, due to historical links with national carriers.

(47) The decrease in Galileo's market shares would, according to the notifying party, demonstrate that Galileo's above average market share does not reflect market power. The transaction is unlikely to reverse the declining trend in Galileo's market share, especially given Worldspan's marginal role at an EEA level and its documented inability to improve its market position on the EEA market over the years.

(48) The trend in Galileo's market shares as well as the marginal role played by Worldspan at EEA level have been confirmed by the in-depth investigation.

(49) TAs are in general net receivers as they receive more financial incentives from GDSs than they pay in subscription fees to the GDSs. Incentive payments have consistently increased over the last five years, including in those Member States where the parties have high market shares (above 40 %). The in-depth investigation showed that during the period 2003/2006 TA revenues have in general increased whereas the evolution of their gross margins is positive.

(50) This development shows the importance of TAs to GDSs and reflects the general view among the respondents to the in-depth investigation that competition between GDSs on the downstream market is strong.

II.3.4.2. Switching costs

(51) An additional reason why the transaction is unlikely to result in price increases on the downstream market is related to the fact, as confirmed by the in-depth investigation, that switching costs are not insurmountable impediments to switching.

(52) Although the quantification of switching costs is difficult, both in terms of time and training needed, as well as in financial terms, some general conclusions may be drawn from the in-depth investigation. Small TAs need one or several weeks to change from one GDS to another; the training needs are not significant and their productivity is not negatively affected by the change. However, large TAs estimate the time needed to switch to approximately 12 months at a significant financial cost (more than EUR 1 million). Also the needs in terms of training are higher. In particular cases (e.g. because of technical aspects of the change), the financial cost as well as the timing needed may be even higher.

(53) Whereas the in-depth investigation confirmed that switching costs exist, it also showed that they have not prevented significant switching in the past. In the period 2003 to 2006, several TAs moved from Galileo to Amadeus. In addition, Worldspan lost two of its major customers in this period, […] and […].

(54) Even if switching cost exist, it seems unlikely that the transaction would lead to competition concerns due to the parties' high combined market shares downstream. This is because of (i) the negative evolution of the parties' joint market shares, (ii) the intense competition between GDSs, even on national markets where they have high market shares downstream, as evidenced by the increase over time in incentives paid to TAs in such national markets and (iii) the generally positive views of the TAs on the merger which is based on their conviction that the merger will create a strong alternative to Amadeus.

(55) Therefore, the Commission concludes in the Decision that non-coordinated effects are unlikely to be created as a result of the merger with respect to the downstream markets.

II.3.5. *Coordinated effects*

(56) Furthermore, the in-depth investigation further analysed the possibility of coordinated effects on both the upstream and downstream side of the GDS market.

II.3.5.1. Upstream

Reaching terms of coordination

(57) Generally, the less complex and the more stable the economic environment, the easier it is for companies to reach a common understanding on the terms of coordination. In this context volatile demand, substantial internal growth by some firms in the market or frequent entry by new firms may indicate that the situation is not sufficiently stable to make coordination likely.

(58) Although during the last five years no significant GDS market entry took place, the market share evolution of the last five years confirms that the economic environment in which the GDSs compete in the EEA has been subject to considerable change.

(59) Further, the growth of 'supplier.com' during the last five years should be taken into account as a destabilising factor in reaching terms of coordination in the GDS market. The market investigation also confirmed that most airlines foresee a further growth of their direct sales via 'supplier.com'. For rental car companies and hotels the distribution of travel content by means of GDS represents a relatively small part of their bookings.

(60) Even if the above circumstances do not totally rule out the possibility of reaching terms of coordination between the three remaining GDSs on the upstream market, the Commission concludes in the Decision that these circumstances would render such coordination more difficult and thus unlikely.

Monitoring of deviations

(61) Only the credible threat of timely and sufficient retaliation keeps companies away from deviating from terms of coordination. This requires that markets are sufficiently transparent to allow coordinating companies to monitor to a sufficient degree whether companies are deviating.

(62) Although, the services offered by a GDS are of a rather homogeneous nature, the pricing structure and the product offerings of all GDSs are complex. Currently, in the EEA, GDSs apply different types of agreements in parallel, i.e. standard Participating Carrier Agreements (PCAs) and full content agreements, sometimes complemented by 'opt-in' agreements. The differences in and variety of both the pricing structures and the product offerings in these agreements make sustained coordination impracticable. The transparency on the market that remains is further reduced by the fact that GDSs modify product offerings and price structures on a regular basis.

(63) Although it would appear from the market investigation that the contracts between GDSs and rental car companies and hotels seem less complex in structure, they would still not provide the level of transparency which would make coordination feasible.

(64) A number of respondents to the market investigation pointed to the existence of so-called 'Most Favoured Nation' (MFN) clauses in their agreements with GDSs. The use of these clauses might increase price transparency. It was confirmed however by the market investigation, that in most cases the MFN clauses relate to the obligation on the TSPs to provide the GDS content parity, and are therefore merely a reflection of the obligations laid down in the Code of Conduct.

(65) Considering the characteristics of the relevant markets, and in particular, the limited degree of transparency, the Commission considers in the Decision that it would be difficult for the three remaining GDSs to effectively monitor deviations from the coordinated behaviour.

Deterrent mechanisms

(66) Coordination is not sustainable unless the consequences of deviation are sufficiently severe to convince coordinating companies that it is in their best interest to adhere to the terms of the coordination.

(67) Immediate retaliation through the reduction by the coordinating GDSs of the fees charged to TSPs would be ineffective to retaliate against the deviating GDS, since it would not provoke switching behaviour by TSPs, considering that they need the services of all four GDSs.

(68) A more realistic retaliatory measure would be for a GDS to offer certain important TAs who use the services of the deviating GDS higher incentives or direct lump sum payments in order to provoke a switch from the deviating GDS to a different GDS. Although such measures would be possible, it would be a costly strategy as the incentive payments offered to the TAs has to be sufficiently large to provoke TAs to switch of GDSs.

(69) The Commission therefore concludes in the Decision that retaliation by means of increased incentive payments to TAs cannot be excluded by itself.

Reactions of outsiders

(70) For coordination to be successful, the actions of non-coordinating companies and potential competitors, as well as customers, should not be able to jeopardise the outcome expected from the coordination.

(71) In the present case there would seem to be significant competitive constraints present on the market which would destabilise any attempt at coordination. These constraints would in particular stem from the possibility of TSPs to withhold content and make this content only available via a direct distribution channel such as 'supplier.com'. In addition, coordination leading to price increases could provoke TSPs in the EEA to invest more in the development of alternatives to GDSs such as GNE's and direct links.

(72) Considering the circumstances described above and the fact that the criteria that have to be fulfilled in order to show coordinated effects are cumulative, the merger is unlikely to result in coordinated effects on the EU market for the supply of GDS services to TSPs.

II.3.5.2. Downstream

Reaching terms of coordination

(73) The issue of coordination could in principle also arise on the downstream market which covers the relationship between GDSs and TAs. The downstream markets in the EEA are characterised by significant differences in market shares between the four GDSs on a country by country basis.

(74) Competition between GDSs on the downstream market is strong and does not show signs of coordinated behaviour. During the last […] years Galileo and Worldspan have lost […] market shares to Amadeus. Moreover, the market investigation confirms that competition between GDSs for contracts with TAs is currently intense, a fact which is reflected by the increase of the incentive payments by GDSs to TAs over the last five years.

(75) The above suggests that the market positions of the merging firms on most downstream markets are relatively unstable, a circumstance which would complicate reaching agreement on terms of coordination.

Monitoring of deviations

(76) The terms and conditions of TA contracts are generally non-transparent since they are negotiated individually between TAs and GDSs. GDSs have no visibility into the complex terms and conditions offered by competing GDSs. Although some price transparency may exist as a result of a possible exchange of information between TAs and GDSs in the context of contract negotiations, the fact that most contracts are individually negotiated would significantly limit the degree of transparency that might result of this. Therefore, the possibilities to successfully monitor coordinated behaviour would seem very limited, because it would require a monitoring of the level of content, functionalities, services, financial assistance, bonuses and other terms and conditions that each GDS offers to individual travel agencies.

(77) Considering the limited degree of transparency on the downstream side of the market, the Commission concludes in the Decision that it would be difficult for the three remaining GDSs to monitor deviations from the coordinated behaviour.

Deterrent mechanisms

(78) The deterrent mechanisms that can be applied are essentially the same as the ones discussed in relation to the upstream market.

Reactions of outsiders

(79) In case of coordinated behaviour, there are not many readily available alternatives for TAs to turn to. The use of 'supplier.com' is too burdensome for TAs and the other alternatives to GDSs are currently not well developed enough in the EEA to constitute adequate alternatives.

(80) Considering the fact that the criteria that have to be fulfilled in order to show coordinated effects are cumulative, the Commission concludes in the Decision that also on the downstream side of the market the merger is unlikely to result in coordinated effects.

III. **CONCLUSION**

(81) The Commission concludes in the Decision that the proposed concentration will not give raise to any competition concerns as a result of which effective competition would be significantly impeded in the Common Market or in a substantial part of it. Consequently, the Commission intends to declare the concentration compatible with the Common Market and the EEA Agreement, in accordance with Article 8(1) of the Merger Regulation and Article 57 of the EEA Agreement.