



Amsterdam, 10 April 2020

Mrs. Mona Keijzer
 State Secretary of Economic Affairs
 Kingdom of the Netherlands
 Via email: 10.2.e@minezk.nl

Dear Mrs. Keijzer,

I am writing to share with you our perspective on the unprecedented challenge that is impacting the travel sector and possible steps to be taken to master this crisis.

Booking.com is the global leader in online travel and the only global platform founded and based in Europe. With the majority of our employees, customers, and business partners based here in Europe – and over 6.000 employees in our headquarters in Amsterdam – we are heavily invested in ensuring the survival and long-term recovery of the European travel and tourism eco-system. In fact, with our commission-based business model we only prosper if our partners prosper. At the same time, as an intermediary between consumers and businesses (eg. accommodations), we bring a multi-sided perspective to managing this crisis.

We are all living in extraordinary times. The travel industry is being tested. Travel bans across the globe have resulted in an almost complete standstill of travel. A crisis of this scale has never before occurred in our industry. We are facing something unprecedented, and we are in this together. Accommodations. Airlines. Car Rental companies. Attractions. Our competitors. Booking.com. Local businesses everywhere. No one is immune to this pandemic shock, but we all share one common interest: for the travel industry to survive this crisis.

Liquidity strains are threatening the livelihood of the travel sector

The most immediate and pressing problem in the travel and tourism sector is financial liquidity. As tourism has come to a halt, revenue streams have almost completely dried up. Preserving cash is therefore – and rightly so – everyone's number one objective. However, this not only holds true for our business partners but also for consumers, who in many instances face financial and job insecurity. This

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naturally creates tensions between the two groups. Where travel has to be cancelled, consumers often prefer to receive cash refunds while many of our business partners advocate for rebookings or travel vouchers.

Booking.com supports consumers and accommodations

As a platform whose success is built on bringing customers and accommodations together, it is our inherent interest to support both sides. Our customer service centers have been dealing with almost 400,000 calls, chats and emails per day to support our customers and partners during this crisis, which is far beyond what we deal with on our busiest days during the summer peak.

Where customers are prevented from traveling to or staying at the accommodation of their reservation and requested a cancellation for such reservations, we have supported such cancellation requests. In such an event, accommodations are - under our B2B contract - not allowed to charge the customer and obliged to refund the customer (to the extent a prepayment was made). This 'force majeure approach' is being applied for reservations made prior to 6 April, and for any stay date affected by a travel restriction which prevents the customer from traveling to or staying at the accommodation. These customers were taken by surprise by the Covid-19 outbreak and by subsequent travel restrictions and could not foresee this situation at the time they made the reservation. Therefore we feel it would be wrong to put financial burden on them.

At the same time, affected customers can easily change the date of their reservation on our platform and we are also supporting our accommodation partners by making alternative solutions such as a date change or vouchers as attractive as possible for travellers. We believe this approach strikes the right balance between preserving consumers' choice and creating incentives in support of our business partners. For new bookings made as of 6 April, we do not apply the 'force majeure' clause anymore, acknowledging that customers by now are aware of the risk they take when choosing a non-refundable booking policy.

We have been in good contact with the ACM for advice about this approach, and appreciate their assessment that takes into consideration the interests of partners, as well as consumers. With this Dutch consumers can count on protection of their rights, while at the same time accommodations have more flexibility to adjust their offering to fit this complex situation.

Governments need to step up efforts – EU coordination crucial

However, we currently find ourselves under pressure to weaken consumer protection, particularly in light of measures taken by several member states' governments to foster vouchers. We do not believe such laws and decrees are in the best interest of consumers, in particular in case vouchers would not be valid anymore in case of insolvency. Such national measures create great challenges within the EU's internal market as consumers face different legal stipulations for their bookings across member states.

We believe that it is possible to maintain consumer rights and at the same time address the immediate cash-flow challenge of our accommodation partners by putting in place the right conditions. For this, governments need to step up. There are two measures that could immediately improve the situation for both consumers and business partners, in particular if there was a coordinated uniform EU-wide approach:

- 1) Governments could establish frameworks to guarantee vouchers in case of insolvency of the accommodation and to ensure that a cash refund can be claimed by the consumer at the end of a voucher validity period. In order to give consumers sufficient time to use the vouchers, the validity should be 12 to 18 months after travel restrictions end. This combination of measures might significantly change consumers' willingness to accept vouchers.
- 2) Governments could establish funds to directly reimburse travellers to preserve the liquidity of accommodations.

We note that these measures are currently being considered for package travel and flights. However, we believe that in these extraordinary times they should equally apply to individual bookings at accommodations. Package travel only accounts for about 40 percent of all touristic travel.¹ This means that reimbursements of individual bookings alone will put considerable financial strain on accommodations.

Partnering with industry to ensure a competitive European ecosystem

As a European cross-border company with customers and partners in all EU member states we see a strong role for a coordinated approach that safeguards consumer rights across the EU and addresses the liquidity challenge of all actors

¹ Extrapolation from the EU Commission's impact assessment for the package travel directive, SWD(2013) 263 final
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within the travel supply chain. The EU institutions and member states should also work together to ensure that post-crisis the European travel and tourism ecosystem remains viable and globally competitive.

We believe that no one is in this alone and no single entity can solve all challenges by itself. Our company is doing everything we can to weather this storm and ensure the long-term health of the global travel ecosystem. We are fully supportive of fiscal relief and state aid measures for the travel sector from national governments and the European Union and we call upon governments to take timely measures to ensure the survival of the European travel ecosystem of which we are a part.

We stand ready to support you in managing this crisis, for example by creating accompanying measures to improve the working of refund and voucher schemes and by designing measures to stimulate demand as soon as it is safe to travel again. As countries begin to show signs of recovery, we will publish a Recovery Preparation Toolkit to help our accommodation partners get back to business and back to growth as soon as possible.

I would be pleased to pursue this discussion with you and explore with the relevant government departments how we can contribute to what I believe are shared objectives.

Yours sincerely,

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Glenn Fogel

President & Chief Executive Officer

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