

**EXHIBIT 2A**

**REDACTED PUBLIC VERSION**

**UNITED STATES' STATEMENT OF  
CONTESTED FACTS**

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**Background on GDSs**

1. Direct distribution, or the direct channel, refers to the sale of airline content directly to travelers through airline websites, call centers, and airport kiosks.
2. Indirect distribution, or the indirect channel, refers to the sale of airline content to travelers through travel agencies.
3. A GDS is a computerized system that helps travel suppliers like airlines distribute their content through travel agencies.
4. Historically, in indirect distribution, GDSs construct airline offers by pulling schedule, availability, and fare data from airlines’ PSSs and public filings.
5. GDSs aggregate offers from multiple airlines.
6. GDSs distribute airline offers to travel agencies.
7. The majority of travel agencies use a GDS to access content from airlines.
8. The majority of travel agencies in the United States use only one GDS to access content from airlines.
9. Many airlines, especially full-service carriers, rely heavily on the Sabre GDS to sell tickets through travel agencies in the United States.
10. An airline booking is a confirmed reservation for a seat on a flight.
11. GDSs make airline bookings based on airline offers, and manage changes to those bookings.
12. In the United States, approximately 50 percent of airline bookings through online travel agencies are made using Sabre’s GDS.
13. In the United States, over 50 percent of airline bookings through traditional travel agencies are made using Sabre’s GDS.

### **Sabre's GDS Contracts**

14. Sabre earns revenue from airline bookings made through its GDS primarily under two commercial models: the traditional model and the wholesale model.
15. Under the traditional model, for each airline booking, an airline pays Sabre a booking fee and Sabre pays the travel agency that made the booking an incentive.
16. Under the wholesale model, instead of an airline paying Sabre a booking fee, the airline pays an incentive directly to the travel agency and the travel agency pays Sabre a technology fee for each booking.
17. The majority of Sabre's airline bookings in the United States are made under the traditional model.
18. Sabre's GDS contracts with airlines contain provisions that govern the level of content the airline is required to offer through the Sabre GDS.
19. One type of content provision is all reservation outlets parity ("ARO parity"). Under ARO parity, an airline agrees to give Sabre access to the same content available through any other distribution outlet, including another GDS, a direct connect, or the airline's website.
20. One type of content provision is business reservations outlet parity ("BRO parity"). Under BRO parity, an airline agrees to give Sabre access to the same content available through other business reservation outlets, which includes another GDS, an aggregator like Travelfusion, or a direct connect.
21. BRO parity does not cover the direct channel, so an airline may offer unique content, including lower fares, through its website.

22. One type of content provision is GDS parity. Under GDS parity, an airline agrees to give Sabre access to the same content available through other GDSs.
23. In their GDS contracts with Sabre, [REDACTED] [REDACTED] operate under [REDACTED] parity in the United States and Caribbean, and [REDACTED] parity in the rest of the world, subject to certain carveouts.
24. Sabre's GDS contracts with airlines have provisions that limit airlines' ability or incentive to use an alternative booking services provider like Farelogix or to shift bookings away from Sabre's GDS.
25. Similarly, Sabre's GDS contracts with travel agencies have provisions that limit travel agencies' ability or incentive to use an alternative booking services provider like Farelogix or to shift bookings away from Sabre's GDS.
26. Sabre's GDS contracts with travel agencies generally contain volume or share commitments, which require travel agencies to make a minimum number or percentage of their bookings through Sabre.
27. If a travel agency does not meet its volume or share commitments, Sabre will charge the travel agency a shortfall penalty.
28. Due to contractual provisions like these and technical restrictions, most travel agencies cannot easily switch between GDSs.
29. In January 2018, Farelogix represented to the European Commission's Directorate General for Competition that GDSs' [REDACTED]  
[REDACTED]

**Farelogix**

30. Farelogix is a recognized innovator in the travel industry, with technology that is modernizing the airline distribution landscape.
31. Farelogix sells airlines a suite of IT products and services, including a product called Open Connect.
32. Open Connect allows airlines to distribute more complex, personalized content to travel agencies than can be distributed through Sabre's legacy GDS technology.
33. Airlines can use Open Connect to distribute content to travel agencies in a number of ways.
34. Airlines can use Open Connect to establish a direct connect with a travel agency instead of going through a GDS.
35. A direct connect is a form of GDS bypass.
36. A direct connect is a form of indirect distribution.
37. Airlines can use Open Connect to reach travel agencies via a non-GDS third-party aggregator, such as Travelfusion, instead of going through a GDS.
38. The use of Open Connect to reach travel agencies via a non-GDS third party aggregator is another form of GDS bypass.
39. Airlines can use Open Connect to connect to travel agencies by going through a GDS ("GDS pass-through").
40. In each of these scenarios, if a travel agency accepts an offer from the airline, the airline relies on Open Connect to make and manage the booking.
41. Farelogix charges airlines an annual subscription fee and a small per ticket booking fee for the use of Open Connect.

### **History of GDSs Impeding Farelogix**

42. Over the past decade, Sabre and the other major GDSs have impeded Farelogix’s ability to compete in airline distribution.
43. In May of 2013, Farelogix gave a presentation to the Office of Management & Budget (“OMB”), titled “Preserving Passenger Choice & Innovation in Air Travel,” in which Farelogix represented that “[o]ver the past five years, Sabre has wielded its monopoly power in an attempt to destroy Farelogix and prevent competition in ticket distribution.”
44. In January 2018, Farelogix submitted a presentation to the European Commission’s Directorate General for Competition, titled “[REDACTED]”  
[REDACTED]  
[REDACTED]”

### **Farelogix’s Growth**

45. Despite resistance from the GDSs, Farelogix has grown over the last decade.
46. In 2005, American Airlines first began working with Farelogix.
47. Today, many of the world’s leading airlines use Farelogix’s Open Connect.
48. Farelogix’s current Open Connect customers include Aegean Airlines, Aeromexico, Air Canada, American Airlines, Austrian Airlines, Brussels Airlines, Copa Airlines, Eurowings, Etihad Airways, Emirates Airlines, Ethiopian Airlines, Lufthansa Airlines, Qantas Airlines, Qatar Airways, Olympic Airlines, Swiss Air, United Airlines, and Westjet.
49. Under its [REDACTED] contract with Farelogix, American Airlines uses Open Connect technology to distribute enhanced content, including ancillary products.

50. Under its [REDACTED] contract with Farelogix, United Airlines uses Open Connect technology to distribute enhanced content, including ancillary products.
51. Farelogix's internal projections for Open Connect forecast substantial growth.
52. In evaluating its acquisition of Farelogix, Sabre prepared financial models that projected ticket sales through Open Connect nearly tripling between 2018 and 2020.

### NDC

53. Historically, GDSs have used the EDIFACT and Teletype data transmission messaging protocols to distribute airline content and make and manage airline bookings.
54. Since 2012, the International Air Transport Association ("IATA"), a trade organization for airlines, has guided the development of a new data transmission standard for airline distribution, known as NDC.
55. In May 2013, Sabre submitted an answer to the U.S. Department of Transportation in opposition to the NDC standard.
56. In its May 2013 response, Sabre supported an answer by Open Allies, a travel industry trade organization representing GDSs and travel agencies, which opposed the NDC standard.
57. In the early 2010s, Farelogix helped pioneer the development of New Distribution Capability ("NDC") technology.
58. Farelogix donated the XML messaging protocols that formed the base for the original version of the NDC standard.
59. NDC enables airlines to distribute a greater variety of content than is possible through EDIFACT or Teletype.
60. NDC enables airlines to make more personalized offers to travelers.

61. NDC shifts the creation of the offer from the GDS to the airline.
62. Today, Farelogix is still a market leader with respect to the ongoing development and commercialization of NDC technology.
63. Open Connect includes an NDC API that enables airlines to distribute their content directly to travel agencies.
64. Ten of the 22 airlines on the IATA NDC Leaderboard use Farelogix as their NDC API provider.
65. For many years, Sabre chose not to invest in developing NDC technology, in part because the shift to NDC technology threatened the traditional GDS distribution model.
66. Farelogix and airlines using Farelogix's products and services have pushed Sabre to develop NDC technology and improve its booking services technology.
67. In late [REDACTED] recognizing that Farelogix was ahead of it in developing NDC technology, Sabre finally began investing in NDC technology, including an NDC API that would compete directly with Farelogix's Open Connect.
68. For Airline Solutions, Sabre is developing technology that would enable an airline to create NDC offers and distribute those offers via an NDC API.
69. As part of this effort, Sabre is developing an NDC API that will be used as part of its NDC Direct Connect Platform.
70. Since [REDACTED] Sabre has discussed with [REDACTED] the possibility of [REDACTED]  
[REDACTED].
71. In 2018 and 2019, Sabre and Farelogix separately bid on an RFP from [REDACTED] for NDC technology, including NDC API capabilities.

72. In April 2019, Sabre launched its first NDC implementation with an airline, announcing capabilities to shop, book, pay, and cancel United Airlines' NDC content through the Sabre GDS.
73. Sabre initially invested in NDC technology to protect its Travel Network and Airline Solutions business.
74. Despite having hundreds of millions of dollars available for investment, Sabre has repeatedly failed to invest sufficient money to develop robust NDC technology.
75. Sabre's GDS does not presently have the technical capability to distribute the enhanced content that [REDACTED] and [REDACTED] distribute through Open Connect.

#### **Market Definition**

76. Sabre provides booking services to airlines through its GDS.
77. Farelogix provides booking services to airlines through Open Connect.
78. Sabre will provide booking services to airlines through its NDC Direct Connect Platform currently in development.
79. For traditional content, Sabre's GDS provides offer creation, booking services, and aggregation as a bundled package.
80. For NDC content, Sabre's GDS provides aggregation services.
81. The industry recognizes that offer creation, booking services, and aggregation are separate services.
82. Offer creation, booking services, and aggregation services can be sold separately.
83. Indirect distribution and direct distribution are distinct distribution channels.
84. Booking services for the sale of airline tickets through traditional travel agencies is a relevant product market.

85. Booking services for the sale of airline tickets through OTAs is a relevant product market.
86. For both product markets, the United States is a relevant geographic market.

### **Competitive Effects**

87. The proposed transaction is presumptively unlawful in the OTA booking services market.
88. The proposed transaction is presumptively unlawful in the traditional travel agency booking services market.
89. Market shares based on Sabre's projections of Farelogix's growth by 2020 better reflect the competition affected by the proposed transaction.
90. Market shares understate Farelogix's competitive significance in both relevant markets.
91. The proposed transaction likely would substantially lessen competition in the relevant markets, resulting in harm to U.S. airlines and travelers.
92. Sabre and Farelogix compete to provide booking services to airlines.
93. In both GDS bypass and GDS pass-through scenarios, Farelogix offers airlines a substitute for the booking services offered by Sabre.
94. By offering airlines alternative distribution paths to bypass the Sabre GDS, Farelogix threatens the Sabre GDS.
95. In the GDS pass-through scenario, Farelogix threatens the Sabre GDS by empowering airlines to control a core function the GDS would otherwise perform (offer creation) and replacing the GDS as the booking services provider.
96. Competition between Sabre and Farelogix to provide booking services to airlines is expected to grow in the near future.

97. Competition between Sabre and Farelogix in the relevant booking services markets has benefited U.S. airlines and travelers.
98. Farelogix has provided airlines with bargaining leverage in their GDS negotiations with Sabre.
99. Airlines have used the threat of establishing direct connects with travel agents as leverage in negotiations with Sabre.
100. The bargaining leverage provided by Farelogix has enabled airlines to lower their booking fees paid to Sabre.
101. In its 2017 and 2018 SEC 10-Ks, Sabre disclosed as “risk factors” to Sabre’s GDS business that “some travel suppliers have explored direct connect initiatives linking their internal reservations systems directly with travel agencies or TMCs, thereby bypassing the GDSs. This direct distribution trend enables them to apply pricing pressure on intermediaries and negotiate travel distribution arrangements that are less favorable to intermediaries.”
102. The proposed transaction will likely give Sabre the incentive and ability to increase the price of Sabre and/or Farelogix’s booking services.
103. The proposed transaction will likely reduce choice, service, and quality in the relevant booking services markets.
104. The proposed transaction will eliminate Farelogix as a disruptive competitor to Sabre and the other GDSs.
105. The elimination of Farelogix is likely to slow the pace of innovation in the relevant booking services markets.

106. If the proposed transaction is allowed to close, Sabre will have a diminished incentive to invest and innovate in NDC technology for booking services.
107. As a result of the lost competition between Sabre and Farelogix, the proposed transaction will likely harm U.S. airlines and travelers.

**Entry**

108. As of 2006, ITA and G2 Switchworks offered airlines alternative distribution channels to GDSs.
109. In 2006, Farelogix first offered airlines its “FLX Platform” and its direct connect product, both of which offered airlines an alternative distribution channel to GDSs
110. In 2009, Sabre terminated its developer agreement with Farelogix.
111. After Sabre terminated the Farelogix developer agreement, Farelogix ceased offering its FLX Platform, but continued to provide its direct connect product as an alternative to the GDSs.
112. By 2011, neither ITA nor G2 Switchworks continued to offer airlines an alternative distribution channel to GDSs.
113. Entry and expansion will not be timely, likely, or sufficient to prevent the proposed transaction’s anticompetitive effects.
114. There are high barriers to entry in the relevant booking services markets.
115. New entry or expansion of other non-GDS booking services providers is unlikely to replace the lost competition from Farelogix.
116. Airline own-build solutions are unlikely to replace the lost competition from Farelogix.

### **Efficiencies**

117. Sabre's proposed acquisition of Farelogix is not driven by a motivation to achieve significant cost savings, reductions in capital expenditures, or reductions in operating expenditures for Sabre.
118. Most of the potential synergies from Sabre's acquisition of Farelogix are difficult to quantify because both companies' products, capabilities, and technology are in a "black box" and are largely inaccessible to each other.
119. The parties' claimed efficiencies cannot justify the likely harm to competition flowing from the proposed transaction.
120. The parties' claimed efficiencies are not cognizable, not verifiable, and/or not merger specific.

### **Remedy**

121. Sabre's non-binding promises to airlines are insufficient to overcome the likely harm to competition from the proposed transaction.