



The Honorable Loretta Lynch
The Honorable William J. Baer
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Aug. 10, 2015

Dear Attorney General Lynch and Assistant Attorney General Baer,

I am writing on behalf of Consumer Watchdog, a nonpartisan nonprofit public interest group, to ask the Department of Justice to block the \$1.3 billion merger of online travel agents Expedia and Orbitz. The proposed deal would give the combined company monopolistic control of the online booking market, enabling it to impose higher fees on hotels, which would inevitably mean higher costs for consumers.

The proposed deal was announced just after Expedia completed its acquisition of another online booking service, Travelocity. Market analysts have estimated that the merger with Orbitz would give Expedia and its affiliates 75 percent of the online travel agent market in the United States. The merger would effectively leave a powerful duopoly with Expedia and competitor The Priceline Group Inc. controlling 95 percent of the online travel agency bookings.

Part of the problem is that consumers don't understand the extent that seemingly independent brands are owned by the industry behemoths. Orbitz Worldwide Inc. owns HotelClub.com, Orbitz.com and CheapTickets.com. Expedia Inc. owns Expedia.com, Hotels.com, Check Tickets, Trivago and Hotwire.com. Priceline owns sites such as Booking.com and Kayak. If this merger is allowed to go forward, then the vital competition between Expedia and Orbitz will be lost.

Eliminating Orbitz as an independent option will severely impact consumers and limit consumer choice. Even more concerning, economy travelers stand to suffer the most as these online travel agencies consolidate, since lower-priced lodging options would face the highest increase in commission costs, and consumers rely on online travel agencies to find smaller hotels and lower priced lodging options. Consumer Watchdog calls on the Department to maintain vital competition that ensures fair prices for consumers and block the Expedia-Orbitz merger.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Simpson".

John M. Simpson
Privacy Project director