

Ministry of Government Administration, Reform and Church Affairs
Konkurransopolitisk avdeling
Postboks 8004 Dep
N-0030 Oslo
Norway

14 May 2012
ref: comis

Dear Sir

PROHIBITION ON THE USE OF FREQUENT FLYER PROGRAMMES ON NORWEGIAN DOMESTIC ROUTES

I am writing in connection with the existing prohibition on the use of Frequent Flyer Programmes on Norwegian domestic air routes which has been in place since 2002. ERA represents 59 airlines operating within Europe of which several operate domestic routes within Norway and are therefore affected by the ban.

I urge the Ministry of Government Administration, Reform and Church Affairs to remove the current prohibition on all routes as soon as possible. As I am sure you are aware, Norway is the only country in the world where such a ban is in place. Frequent Flyer Programmes are an essential commercial tool for airlines to attract new customers, retain and reward loyalty. Customer loyalty schemes are now widely used and supported by consumers across the globe both within air transport and in many other industries.

The existing ban on Frequent Flyer Programmes acts as a disincentive for new carriers to enter the market as they are not able to treat their frequent customers in the same way across their entire network. Equally, the ban seems contrary to EU law which expressly allows for the free flow of services. The limited scope of the recommendation from the competition authorities also discriminates against passengers travelling to and from all other cities in Norway, leading to uneven market conditions.

Finally, there is no clear evidence which ERA is aware of that Frequent Flyer Programmes limit competition, lead to higher fares or in any way lead to increased costs or reduced choice for the consumer. In fact the growth and popularity of these schemes has developed hand in hand with the progressive deregulation of the industry which has given consumers more choice and freedom on air travel.

Once again, I urge your office to recommend that the existing prohibition be lifted.

Best regards



Mike A Ambrose
Director General

