

CMA provisionally finds competition concerns in airline booking merger

The Competition and Markets Authority (CMA) has been investigating the proposed \$360 million purchase of Farelogix Inc by Sabre Corporation. Among other products and services, the companies supply software solutions which help airlines to sell flights via travel agents including those that operate online. They do this by providing IT services that assist airlines in managing retail offers including information about in-flight add-ons to tickets such as seats with extra leg room, WiFi and meals. Additionally, Sabre and Farelogix offer solutions to help airlines connect with passengers via travel agents.

Following [the launch of an in-depth "phase 2" investigation](#) in September, the CMA is concerned that Sabre's acquisition of Farelogix could result in less innovation, higher fees and more limited choice of supplier for airlines using these types of IT systems. As a result, UK passengers would be worse off.

In responding to passenger demand, airlines want passengers booking via travel agents to have more choice over their flight experience by being able to select, for example, specific meals or seats with extra leg room.

Farelogix has developed technology that allows airlines to offer this choice to passengers. Sabre does not currently offer this new technology but is investing in developing it. However, the CMA is concerned that if Sabre buys Farelogix it will not have the incentive to develop the technology itself and airlines, and ultimately their passengers, will lose out as the companies will not be competing with each other to provide a better product.

Additionally, Sabre is one of the main established businesses worldwide that airlines can use to connect to travel agents. The CMA has provisionally found that Farelogix offers airlines a good alternative and is therefore a threat to Sabre's business.

The CMA's provisional finding is that Farelogix's continued independence will likely motivate Sabre to innovate further, giving airlines more choices in connecting to travel agents that will allow them to sell tickets and extra products through travel agents in more innovative ways. The expected innovations will further benefit passengers booking by providing them with more options to customise their travel experience.

The CMA is consulting on these provisional findings and views are invited by 28 February 2020. Its current view is that blocking the merger may be the only way of addressing these competition concerns.

Martin Coleman, chair of the CMA inquiry group said, "This is ultimately about passengers and their ability to get good value and innovative services when flying. For this to happen it's really important that airlines have a

good choice of supplier for this type of software solution to make sure services are cutting edge. Farelogix is at the forefront of a technological change in this industry and we are currently concerned that the merger will see airlines and their UK passengers miss out on the benefits from the continued innovation.”

This is one of several global mergers currently being investigated by the CMA. It has worked with the US Department of Justice on this case as the DoJ carried out a separate review into the deal and has taken Sabre and Farelogix to court to block the merger due to its concerns.

The trial ended on 6 February with the judgment to follow. The statutory deadline for the CMA’s final report is 12 April. For more information, visit the [Sabre / Farelogix merger inquiry web page](#).

[Every child in England to be offered cycle training](#)

- essential bike safety and skills training will be offered to every child in England
- expected spend on cycling and walking from 2016 to 2021 has doubled to £2.4 billion
- an extra £22 million for the Access Fund, Big Bike Revival and Walk to School Outreach will fund projects next year to kickstart behaviour change

The government has today (7 February 2020) announced all children in England will be taught the skills for a lifetime of cycling, as its [Bikeability training programme](#) is significantly expanded.

The Cycling Minister, Chris Heaton-Harris, will join world and European champion track cyclist Andy Tennant in a Bikeability session at Newnham Primary School in Daventry.

The commitment will see an additional 400,000 training places offered on the scheme each year, providing children with the core skills to cycle safely and confidently on the road. More than 80% of children aged between 8 and 10 years old own a bike and since its launch in 2006, more than 3 million children have taken part in the Bikeability scheme.

Chris Heaton-Harris, Cycling and Walking Minister, said:

Cycling is a fun and enjoyable way for children to get to school, the shops or see their friends. It is also environmentally friendly and has a positive impact on their mental and physical health.

Extending Bikeability training will inspire the next generation to take to the roads as confident and proficient cyclists and will play an important role in helping us meet our net-zero emission targets.

Former world and European champion track cyclist, Andy Tennant, said:

If we want our children to continue cycling into adulthood it is absolutely vital that we equip them with the skills and knowledge to ride at a young age.

Learning to cycle is a brilliant way to help children live happy, healthy and independent lives, and we're absolutely thrilled that so many more children are now going to benefit from the programme in the coming years.

Paul Tuohy, Cycling UK Chief Executive said:

Projects like Bikeability and the [Big Bike Revival](#) provide the skills for safer cycling to some of the people who need it the most. It's fantastic to see the government continue to back programmes that deliver and are helping thousands of people every year on their cycling journeys.

Xavier Brice, CEO for Sustrans, the walking and cycling charity said:

We welcome the intention to extend Bikeability training to all school children. Walking and cycling for shorter journeys provide great health and environmental benefits.

And with road transport now accounting for 27% of the UK's greenhouse gas emissions, making them easier and accessible to more people is one of the best ways to reach our carbon-zero targets.

Joe Irvin OBE, Chief Executive, Living Streets:

We all need to walk more and drive less, to help tackle the crises of public health, traffic congestion, air pollution and climate change. Starting healthy habits at an early age is crucial to achieving this.

In schools where successful initiatives like WOW are in place, we are seeing more families choose active and sustainable ways to travel. We need to be making it possible for families to swap to healthier forms of travel and this funding will go a long way to doing that in these local authority areas.

The announcement comes as the government has revealed that expected spend between 2016 and 2021 on active travel has doubled to £2.4 billion.

The government has also today announced that it will invest £22 million in a range of national schemes over the next year:

- £20 million will go to extend the Access Fund which helps local authorities support more people to cycle and walk
- £1 million will go towards the Big Bike Revival – a grass roots project encouraging more than 40,000 people to take up cycling who wouldn't normally consider it
- £1 million will be invested in the Walk to School outreach programmes offered by the government's partners Cycling UK and Living Streets

The Access Fund investment will enable more employers to provide cycle training at work, as well as advice to make it easier for people to make the switch towards more sustainable forms of transport. For example – Blackpool and Sheffield County Councils will receive £2.5 million each to fund their 'Walk To' programmes for another year, while Devon County Council will benefit from a £500,000 grant to support their 'Walking and Cycling to Prosperity' initiative.

Promoting walking in primary schools

Location of intervention	Various cities across England
Contractor/delivery partner	Living Streets, Transport for Greater Manchester, Birmingham City Council, West Yorkshire Combined Authority, Merseytravel and West Midlands Combined Authority
Scheme implementation dates	2016 to 2017 – 2019 to 2020
Cost of scheme	£2.62 million from 2016 to 2017 and 2019 to 2020
Funding source	Department for Transport
BCR	2018 to 2019 programme

Why we did it

Travelling to education is the most common single purpose of walking journeys but there is huge potential to increase the proportion of children walking to school. A generation ago, 70% of primary school children walked to school but this has dropped to just over half (51%).

The government has a target in its Cycling and Walking Investment Strategy (CWIS) to have 55% of primary school children walking to school by 2025.

How we did it

Living Streets, with support from the Department for Transport, has been running the [Walk to School Outreach](#) (WTSO) project since 2017. It does so mainly through behaviour change interventions delivered in schools, including WOW, Living Streets' year-round walk to school challenge, and by influencing local infrastructure decisions.

What we did

Over the period 2018 to 2019 the WTSO project promoted walking in 275 primary schools including 133 new schools. The project is estimated to have encouraged around 10,000 extra children and around 2,500 extra adults to walk to school over this period.

What impact did it have

Final evaluation carried out at the end of March 2019 shows that walking rates increased by 38% among new WTSO project schools and increased walking rates were sustained in existing schools in 2018 to 2019. This represents around 4 million new walking trips and 1.3 million fewer school run car journeys in that year with total vehicle miles reducing by around half a million. This will lead to considerable transport, environmental and health benefits, with an estimated benefit-cost ratio of 10.

Key figures

- 1.3 million fewer school run car journeys
- 4 million new walking trips generated in 2018 to 2019
- walking rates increased by 38% among new WTSO project schools

Training children to cycle safely

Location of intervention	Locations across England
Contractor/delivery partner	Local authorities and School Games Organiser Host Schools/The Bikeability Trust
Scheme implementation dates	2007 – Present
Cost of scheme	£12 million – £13 million per year
Funding source	Department for Transport
BCR	3:1 (lower estimate) 7:1 (upper estimate)

Why we did it

The Road Safety Statement, published in December 2015, emphasised that the government remains firmly committed to provide cycle training to school children, to give the next generation of cyclists the skills and confidence to cycle safely on local roads. In recognition of the importance of this, in the Cycling and Walking Investment Strategy (CWIS) the department committed to provide an additional £50 million to fund the Bikeability programme through to 2020.

How we did it

[Bikeability](#) was launched in 2007 as the government's flagship cycle training programme for all ages. The training aims to increase children's road awareness, encourage active travel and improve future motorists' empathy for more vulnerable road users.

What we did

The programme trains approximately 400,000 children per year across the 3 different levels of training offered. Bikeability provides three levels of training, providing a progressive pathway for trainees to develop their skills and confidence:

- level 1: Learn to control and master your bike (off-road)
- level 2: Real-life experience of cycling on local streets
- level 3: Cycling on busier roads and traffic situations

To date, more than 3 million children have received Bikeability training.

What impact did it have

The achievement of Bikeability Level 2 or 3 certification was found to be associated with:

- an increased propensity among Year 6 pupils to cycle
- higher levels of road cycling and improved knowledge of how to ride on roads safely

Bikeability also increases the propensity for parents to allow their children to ride on roads, which implies that Bikeability positively impacts on parents' confidence in their children's cycling skills and road safety. This is corroborated by parents' positive reports of Bikeability, with substantial proportions reporting that their children are more confident in their cycling abilities and cycle more often.

Key facts

- 400,000 trained across the 3 different levels of training
- 3 million children have received Bikeability training

- £50 million to fund the Bikeability programme to 2020
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Promoting walking to work

Location of intervention	10 local and combined authorities across England Living Streets on behalf of Blackpool Council (lead authority) and councils in
Contractor/delivery partner	Buckinghamshire, NECA (Durham), Hampshire, Hertfordshire, Surrey, Leicester, Stoke-on- Trent, North Lincolnshire and West Sussex
Scheme implementation dates	April 2017 – March 2020
Cost of scheme	£7,498,000
Funding source	Department for Transport
BCR	6.4:1

Why we did it

Increasing walking to work positively impacts the health and wellbeing of employees by encouraging them to be more physically active. It benefits all employees by reducing congestion and carbon emissions around the workplace whilst the employer and local economy benefit from raised productivity (for example, by reduced absence).

How we did it

Walk To is part of the Access Fund and works with 3 key audiences – workplaces, schools and post primary education settings. [Living Streets](#), as the lead delivery partner, is working with all 3 audiences to increase walking rates, tackle barriers to walking and reduce congestion.

Part of the project is an awareness-raising and behaviour change programme in workplaces. Alongside this, public realm improvements will help create walking-friendly routes.

What we did

To date, Living Streets has supported 95 unique workplaces across a range of settings including council offices, universities, hospitals and private sector companies such as NEXT in Leicester.

The interventions delivered have reached an average of 1,300 employees per year and include promotional campaigns, walking pledge events, led walks, walk leader training sessions and one-to-one walking advice sessions.

Living Streets has also developed new approaches to better engage employees, and support employers in embedding a walking culture in their workplace. This

has led to the launch of the new Walking Works package in February 2019.

What impact did it have

Participant surveys carried out in April 2019 indicate that 59% of respondents meet their walking pledge regularly. Furthermore, 72% of respondents said they now walk a lot (19%) or a bit (53%) more than they used to. On average, those who walked more attributed about half of the change to Living Streets activities.

Key figures

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- Living Streets has supported 95 unique workplaces
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