

channel. However, travel agents are strongly influenced in their choices by the *computer reservation systems* (CRS) which they use. The fact that travel agents rely on a single CRS service to provide information on airlines,⁸⁷ combined with the fact that the two dominant Canadian carriers control the dominant CRS system in Canada, suggest that there may be potential for these two carriers to prevent or hinder access to the distribution channel for new entrants. While the issue of CRS dominance in Canada was resolved by a consent order between the Bureau of Competition Policy and Gemini (the CRS vender jointly owned by Air Canada and CAI⁸⁸), the potential for such abuse must be recognized when contemplating how Canadian carriers will fare in other countries.

Code sharing can also be a barrier to a new entrant. With code sharing, a flight from A to B on Carrier 1 is shown in the CRS as a flight on Carrier 2. This can be important when that flight is combined with a Carrier 2 flight from B to C. The code sharing arrangement shows the A-B-C flight as being a "single carrier" service, which gets a higher priority on the CRS display than an "interline" service. As was revealed in Section V.A, the higher priority is quite significant in influencing the consumer's choice.

Tretheway (1989) describes how *airline frequent flyer programs* can act as a *powerful* entry barrier. This is because it is much easier and cheaper for the large network airlines to provide these programs than it is for entrants. Here in Canada, Wardair had great difficulty offering a frequent flyer program which could compete with those of Air Canada and Canadian Airlines International. Their original attempt in 1988

⁸⁷ It is too expensive for any but the largest travel agencies to have more than one CRS system.

⁸⁸ For example, schedule A of the 7 July 1989 Consent Order stipulates that Gemini "shall not discriminate in providing access to the system to any carrier willing to pay the non-discriminatory fee and comply with the system vendor's customary terms" (p. 9). There are many other additional pro-competitive provisions in the consent order.