

Antitrust Watchdog to Reduce Air Fares By 'Destroying' Foreign Booking System

By [The Moscow Times](#)

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The anti-monopoly service wants passengers to be able to purchase cheap tickets shortly before departing. **Maxim Stulov**

The Federal Anti-Monopoly Service intends to "destroy" an airline ticket reservation system foisted on the country by foreign carriers and force carriers to lower ticket prices in the day or two leading up to a flight's departure.

The FAS said this will make flying cheaper and more accessible, but industry sources said the proposed system will lead to huge losses for airlines, and is unlikely to reduce ticket prices.

On Wednesday, FAS chief Igor Artemyev criticized the existing ticketing model, saying that high ticket prices are a result of the existing reservation system, imported from the U.S. and Europe, which keeps prices high even with reduced demand, Kommersant reported.

"The law of economy says: instead of flying with empty seats, you need to reduce the price so that a student or a grandmother could fly," he said. On average, 79.5 percent of seats on flights in Russia were occupied in 2013.

The FAS proposal is "strange," said a source in a major Russian airline — if passengers know there will be a knock-down sale before departure, companies are unlikely to sell many advance tickets at higher prices.

The basis for the new pricing model is the dynamic pricing of nonregulated transportation adopted by Russian Railways last year, said FAS Department of Transport and Communications Control chief Dmitry Rutenberg. Under this system, prices depend on the time of purchase, the season, and route demand. Essentially, the sooner a ticket is purchased, the cheaper it is, but in the final day or two before the train's departure, the prices drop to ensure that seats are filled.

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