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December 5, 2008

Edward J. Markey
7th District, Massachusetts
Congress of the United States
House of Representatives
2108 Rayburn House Office Building
Washington, DC 20515-2107

Dear Congressman Markey,

I am responding to your November 12, 2008 letter on behalf of priceline.com Incorporated. Priceline.com.com Incorporated runs the website priceline.com. Priceline.com is a leading provider of online travel reservation services, providing consumers with the ability to book reservations at thousands of suppliers, including airlines, hotels and rental car companies. Priceline.com's bookings are primarily domestic, but it also offers bookings in certain foreign destinations. Priceline.com provides a convenient and efficient service to consumers by providing for one-stop shopping for hotel, airline and rental car reservations as well as offering vacation packages that combine some of these services. Priceline.com, however, is merely a facilitator of travel reservations, not a supplier of such services.

Priceline.com appreciates your office's concern about international travel as we approach the holiday season. Priceline.com responds to your questions as follows:

1. Do you always inform your customers of relevant U.S. Department of State Travel Warnings? If so how? If not, why not?

On the priceline.com.com website under Terms and Conditions, Priceline.com provides links to government websites that provide U.S Department of State Travel Warnings. Priceline.com requires customers to read, and initial that they have understood, priceline.com's Terms and Conditions prior to making a reservation with priceline.com. The Terms and Conditions instruct consumers as follows: "For foreign entry requirements, go to

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travel.state.gov/travel/foreignentryreqs.html. For State Department travel warnings and advisories, go to travel.state.gov/travel/warnings.html. For foreign health requirements and dangers, go to www.cdc.gov/travel/index.htm. Other information relating to particular international destinations can be found at www.tsa.gov, www.faa.gov, www.treas.gov/ofac, or www.customs.gov.” In addition, under the Help tab on priceline.com under “Frequently Asked Questions,” Priceline.com has questions entitled “Can I fly internationally?” and “Do you offer international hotels?” which provides links to www.travel.state.gov and www.travisa.com.

2. Do you always inform your customers of relevant U.S. Department of State Travel Alerts? If so, how? If not, why not?

Priceline.com provides links to government websites that provide U.S. Department of State Travel Alerts, as discussed above.

3. Do you always inform your customers of the U.S. Department of State Country Specific Information relevant to their travel, especially regarding crime, safety and security, medical facilities and health information, traffic safety and road conditions, and aviation safety oversight? If so how? If not, why not?

Priceline.com provides links to government websites that provide U.S. Department of State Country Specific Information, as discussed above.

4. Do you always provide your customers with information regarding the emergency medical services available at the hotels and resorts advertised on your site? If so, how? If not, why not? If you do, how do you validate the accuracy of this information? How frequently?

As a facilitator of hotel reservations, priceline.com provides its customers with information that is provided by the over 60,000 hotel suppliers (both U.S. and foreign) that provide reservations through priceline.com concerning amenities and services available at the hotel. The information on priceline.com's website concerning such amenities and services is loaded into a global

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distribution system (GDS) by the suppliers and pulled onto priceline.com's website from the GDS.¹ In addition, if a customer calls customer service with a question about amenities or services that are not detailed on priceline.com, priceline.com instructs customers to contact hotels directly for information concerning particular amenities or services offered by the hotels. Priceline.com's website also contains a "Frequently Asked Question" on the topic of special requests that instructs customers to "Be sure to let the hotel know any special requests or requirements you have at check-in...."

5. Has your company ever terminated its relationship with a foreign vacation destination as a result of poor health or safety record at its facilities? If yes, please provide the number of terminations that have occurred for this reason in the past two years.

Priceline.com adheres to U.S. government trade sanctions with regard to certain foreign countries. Priceline.com does not provide any services in Cuba, North Korea, Burma, Syria, Sudan and Iran for this reason. In addition, priceline.com has temporarily terminated the ability to book reservations to hotels that are affected by disruptive events as reported in the news media. For example, this past fall, priceline.com temporarily suspended bookings to hotels in areas affected by Hurricane Ike and informed customers that they could cancel at hotels impacted by the hurricane.

6. Does your company collect, in a systematic manner, complaints from customers about poor medical care, unsafe or unsanitary facilities or other health-related problems they

¹ For a small percentage of hotels, information on hotel amenities and services is not available through the GDS. In those instances, priceline.com employees speak to the hotel and review its website, and manually load amenity and service information provided by the hotel into the priceline.com database that populates the priceline.com website. Additionally, in addition to its disclosed price hotel reservation service, priceline.com has a service called "Name Your Own Price"® in which a customer selects a star level (which is explained to the customer with a list of amenities and services that must apply to each hotel within the star category) and neighborhood and names a price for a hotel. Priceline.com searches for a hotel matching the criteria and reveals the name of the hotel to the customer only after purchase. On the confirmation page, priceline.com informs the customer of the hotel contact information and/or the hotel website, but does not present information from the GDS to the customer. If the hotel participates in priceline.com's price disclosed service (the vast majority of hotels do), the customer could find the information on hotel amenities and services from the price disclosed listing on priceline.com.

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experienced at vacation destinations booked through your site? If yes, how does your company use such information? Is it made available to individuals who are considering purchasing a vacation trip to a destination about which your company has received health or safety complaints? If not, why not?

Priceline.com has two ways in which it tracks customer complaints or other feedback. First, as disclosed on priceline.com, priceline.com customers can email or call priceline.com customer service. All contacts with customer service are logged into a database and categorized by contact type. Because these contacts contain personal information of priceline.com customers, the information is kept confidential and is not available to other consumers. Priceline.com reviews trends in customer service contacts, including those involving quality issues, in order to improve customer experience. If a hotel receives quality complaints at a rate greater than 1% of its bookings, priceline.com thoroughly reviews the complaints and may downgrade the star rating (a rating assigned to all hotels on a scale of 1 to 5 stars) or disable the hotel from being part of priceline.com. Second, priceline.com sends all customers who reserve a hotel or vacation package through priceline.com a post-stay survey which asks the customer to rate the overall quality of the hotel on a scale of 1 to 10, to review the hotel, and to provide verbatim feedback to questions about quality and “likes and dislikes” about the hotel. Priceline.com posts the responses that it receives on priceline.com’s website on its hotel details pages.²

7. Do you have a discussion board or other interactive communication tool on your site where customers can share their travel experiences? If yes, do you consider travelers’ postings that include information about the existence or quality of medical services or responsiveness to be appropriate content for discussion on your Web site? If not, why not?

As discussed above, priceline.com sends all customers who book a hotel room or vacation package through priceline.com a post-stay survey, and posts the results of that survey on

² The hotel reviews can be located by doing a search for a hotel in a particular destination, scrolling through the listings page and selecting a particular hotel. At that point, reviews for that hotel can be reviewed on the site. A small number of hotels that participate in priceline.com’s Name Your Own Price[®] service do not participate in priceline.com’s price disclosed service. For these hotels, survey results are not made available to customers.

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priceline.com's hotel details pages. If a post-stay survey response included information about the existence or quality of medical services or responsiveness, priceline.com would provide that information on the priceline.com hotel details pages. Priceline.com Incorporated also operates a travel guide site, www.mytravelguide.com, that allows consumers to post reviews of hotels in particular cities (including foreign cities) and to read reviews posted by others. If a consumer submitted a review containing information about the existence or quality of medical services or responsiveness, the review would be posted for other consumers to review.³

8. What other information do you provide on your site to inform visitors of the potential risks associated with international travel to the various destinations marketed by your company?

Priceline.com does not provide information other than what has already been described above.

Priceline.com has attempted to answer your questions to the best of its ability at this time. Priceline.com reserves its right to supplement its response to your letter and all objections are reserved. Please feel free to contact me should you require additional information or have further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Phyllis Wallitt". The signature is written in a cursive, flowing style.

Phyllis Wallitt
VP and Associate General Counsel

³ Information posted on priceline.com and mytravelguide.com undergoes a scrubbing process to screen out certain information, such as profanity. Information of the type described in the question would not be scrubbed based on substance and would otherwise be included in reviews posted on the websites.