european travel tech position on Artificial Intelligence and on the European Commission White Paper

Artificial Intelligence (AI) is no longer a promise of the future. Instead, many companies – big and small – are investing in innovative and powerful data applications to, for example, increase productivity and efficiency gains, optimize their businesses and enhance consumers´ experience. AI features undoubtedly offer users many more opportunities, and in recent years its exponential development and uptake has supported exciting innovations, including for the travel tech sector. eu travel tech members invest heavily in the use of intelligent tools and techniques to help improve customer experience, sustain a more **competitive European tourism sector, and support the industry's sustainability** goals.

We recognize that as new technologies and digital-based businesses develop, new challenges also emerge. Some of them may require a proper assessment from businesses and policy makers. This is especially true for those high risk applications that could undermine fundamental rights or human well-being.

eu travel tech welcomes that the European Commission White Paper on Artificial Intelligence acknowledges AI as a source of progress for our societies and growth for our businesses and puts the focus on regulating high-risk applications of AI without stifling crucial innovation in Europe. We welcome the European **Commission's focus on high**-risk applications within high-risk sectors as an important step in ensuring a targeted and risk-based approach to the AI framework. This approach will help avoid blanket regulation of AI, which would harm investment and innovation where the risks of using AI are negligible.

European Consumers and European businesses must be protected through a well-defined distinction between low – risk and high – risk applications:

- We call on policy makers to maintain a clear distinction between the definitions of low-risk and high-risk applications – there are many low-risk applications of AI with no ethical or fundamental rights implications, as opposed to high-risk applications where the real risks lie.
- The future regulatory framework should ensure regulatory certainty and safety for European consumers and fairness for those European businesses that develop low risk AI technology. In this regard we urge clarity in understanding in which 'exceptional instances' AI applications could be classified as high-risk outside of the cumulative criteria proposed by the European Commission. We draw particular attention to the notion of **'applications affecting consumer rights', which is very br**oad and could lead to considerable legal uncertainty.

- We also ask for further clarification on **the European Commission's** intention to include transport as a high – risk application: transport is a far-reaching sector and while some AI applications may pose ethical or fundamental rights implications, many of them do not. A clear distinction between transport high – risk applications and low – risk applications is needed in order to ensure a sustainable, continued development of AI solutions.
- eu travel tech also seeks clarification regarding the specific regulation that biometric solutions will be submitted to as a high – risk application. Post COVID-19 travel will accelerate the need for touchless travel, and some of our members are developing solutions that will drive the recovery of the sector through several technology advances, including biometrics. A clear regulatory framework for biometric solutions will be essential for the recovery of the travel and tourism sector.

The EU should encourage the continuous investment in AI by:

- Aligning any further regulation on algorithms with existing rules. We fully agree with the importance of transparency of algorithms and are indeed implementing other pieces of EU law that creates rules on algorithms, such as Platforms to Business or consumer law (Omnibus Directive). Should the European Commission make any further proposals on this matter, they must be fully aligned with existing rules to avoid unnecessary economic and legal burdens on our members.
- Promoting the need for controlled and limited experimentation to continue to support crucial innovation. We would like to see this kind of testing **encouraged and valued by the EU's approach, enabling room to** experiment within a set framework e.g time limit, notification obligation.
- Urging caution around setting standards or requirements akin to high-risk applications which would generate a lot of friction. While eu travel tech sees benefit in a voluntary labelling scheme for low-risk AI applications, we question whether setting standards for high- risk applications would bring added value. A labelling scheme that from the outset is based on extreme connotations of AI would not in our view provide meaningful information to consumers. An alternative approach could be for a voluntary labelling scheme to recognize the processes and techniques a company has in place to ensure legal and ethical compliance. The company would therefore be bound to act in accordance with these processes and techn**iques and 'certified' as such.**

For eu travel tech the EU plan for AI is a good first step to place Europe to take a leadership position by developing, using and advising on AI that builds public trust, supported by risk-based obligations and human-centric policies, and to set a global standard for AI regulation.