

Booking.com is a major investor and developer/deployer of Artificial Intelligence in Europe - with around 400 employees in Europe focused on AI related projects, including software engineers. AI is a critical technology that enables the company to stay at the forefront of the customer experience while promoting important efficiency gains. AI and Machine Learning are principally used by us today for recommendations, content selection, fraud detection, marketing, partner services and more.

The value of AI to our business and our customers cannot be overstated. One concrete example of how we use AI is the customer reviews available to our customers on the Booking.com website. In the ordinary course, a potential guest or customer has access to thousands of reviews associated with each property; customer reviews are crucial to informing potential guests' decisions on selecting accommodations. To ensure the information is user-friendly and more easily-accessible, ML is used to synthesise large amounts of text into more simple concepts, identifying key words within the reviews that can then be translated into easily accessible summaries (including key pointers like whether a property is centrally located, offers good breakfast, etc.). By leveraging ML, Booking.com is able to place the prospective consumer on the "virtual high-street" where they can explore data that has been synthesised and collated for ease of access and efficiency. This helps promote healthy consumer behavior and fair competition/market practices.

AI is a key technology for our business and one that we want to keep on investing in. For this reason, we welcome the discussions on setting an EU AI framework that has at its core a human-centric approach. We recognize the risk of a public backlash in AI that could also jeopardise our investments in this technology and therefore support the need to secure public trust.

As a European consumer-facing platform investing in AI research and deployment, we fully support the Commission's ambition to make the EU a global leader in AI. AI is a key technology that enables companies like ours to innovate and compete globally, so it is vital that the EU puts in place both an investment and regulatory framework that supports continued and growing cutting-edge innovation in Europe.

We are pleased to contribute to the European Commission's consultation on its White Paper on Artificial Intelligence- a European approach to excellence and trust. (This paper aims to complement our questionnaire response with additional context and recommendations.)

We already took part in the EU AI pilot testing at the end of 2019. Our main feedback to the pilot was that while we recognise the value of the ethical principles for high-risk applications, the majority of the checklist/questionnaire was not particularly relevant for the types of low-risk applications we are using and was rather designed with high-risk applications in mind. We believe this feedback continues to be relevant as the EU continues to discuss how to recognize the different risk profiles for AI applications and tailor the obligations/requirements accordingly.

Based on the criteria to identify high-risk applications proposed by the European Commission, we believe that the AI applications used by Booking.com are unlikely to be deemed high-risk in view of both the context in which we use AI and the type of uses we make of it. We neither fall under a high-risk sector, where the use of AI is deemed particularly sensitive, nor do our applications involve significant risks for safety or fundamental rights (including personal data, privacy protection and non-discrimination). Furthermore the potential harm for the individual as well as for society at large remains minimal. We also believe that any concerns regarding AI's use on consumer rights should be clearly defined, well-evidenced and any new provisions should be presented in the context of existing consumer protection rules. In this context it is difficult to take definitive positions on some of the consultation questions that relate to how high-risk applications should be addressed.

There are 3 main points we would like to draw your attention to:

Ecosystem of excellence

The role companies can play in attracting AI talent to Europe and bringing them into the European ecosystem should not be overlooked. There are leading companies in Europe investing in and developing AI applications - they themselves act as lighthouses for attracting some of the best minds.

Europe may not yet have won the global race when it comes to consumer platforms, but its relative strengths in online platforms and consumer applications should not be downplayed. Booking.com is investing heavily in AI to ensure its technology is at the forefront of the highly competitive online global travel market.

For Booking.com, Amsterdam is our global research and product development hub. We attract talent from all over the world and contribute immensely to the development of talent here in Europe. Enlarging the talent pool in this way creates a lot of positive spillovers and fuels Europe's digital ecosystem. It is fundamental to tap into and build on the strong points that already exist. A framework that incentivises companies to share AI-related knowledge and to facilitate public-private partnerships for industrial research are essential.

A framework that supports innovation and leadership within the boundaries of European values will be a crucial step in attracting and keeping the best talent in Europe. The regulatory framework should therefore be designed to tackle the risk stemming from specific applications while encouraging innovation.

Ecosystem of trust

Regulation of high-risk AI

AI is a very broad type of technology that can be used in many different ways and in many different contexts. AI does not necessarily carry more risks than other types of technologies or indeed than when humans are directly carrying out the tasks. What is crucial is to look at context and the scale of the risks involved.

As such we support 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 chill investment and innovation where the risks of using AI are negligible.

It will be important to clarify in which "exceptional instances" AI applications could be classified as high-risk outside of the cumulative criteria. In particular, the notion of "applications affecting consumer rights" is very broad and could lead to considerable legal uncertainty. One approach to ensure greater legal certainty could be to better define the two cumulative criteria rather than to develop an 'exceptional circumstances' clause.

Concerns regarding AI's use should be clearly defined and well-evidenced. Ranking the importance of certain concerns - for instance discriminatory outcomes or inaccuracies - on a numerical scale is challenging, because it does not consider the context in which, or the likelihood that, such risks/harm might arise, their prevalence or ultimate impact, and other important parameters.

Voluntary labelling

Booking.com believes the need to secure public trust in AI. It is fundamental to Europe reaping the benefits of AI and of companies being able to keep on investing and innovating in this key technology. For low-risk AI applications typically used by Booking we see a benefit in the voluntary labelling concept, as long as the scheme provides meaningful information to users without creating unnecessary friction for AI innovation. The suggestion of setting standards or requirements akin to high-risk applications may generate a lot of this friction, as observed during our involvement in the EU's AI pilot test. The majority of the ethical checklist was not particularly relevant for low risk applications and had clearly been designed with negative/extreme connotations in mind that did not capture the full range of AI profiles that exist. A labelling scheme that from the outset is based on irrelevant requirements or standards would not in our view provide meaningful information to consumers.

We believe that a good approach for a voluntary labelling scheme would be to recognize the processes and techniques a company has in place to ensure legal and ethical compliance and a responsible use of AI. The company would therefore be bound to act in accordance with these processes and techniques and 'certified' as such, potentially audited either by a national body or by an EU authority.

Booking.com is committed to conducting business ethically and in compliance with the laws and regulations of the countries in which we operate. In addition to the diligence and professionalism of our workforce, the company has a world-class compliance and ethics program. Our compliance and ethics program safeguards the values that underpin all transactions and interactions by Booking.com employees. The program will be extended to include a targeted training for job positions related to AI.

We believe that the EU approach should also encourage controlled and limited experimentation that could continue to support innovation. For instance, A-B testing is a central part of Booking's AI research and development efforts. 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.