



BT4Europe

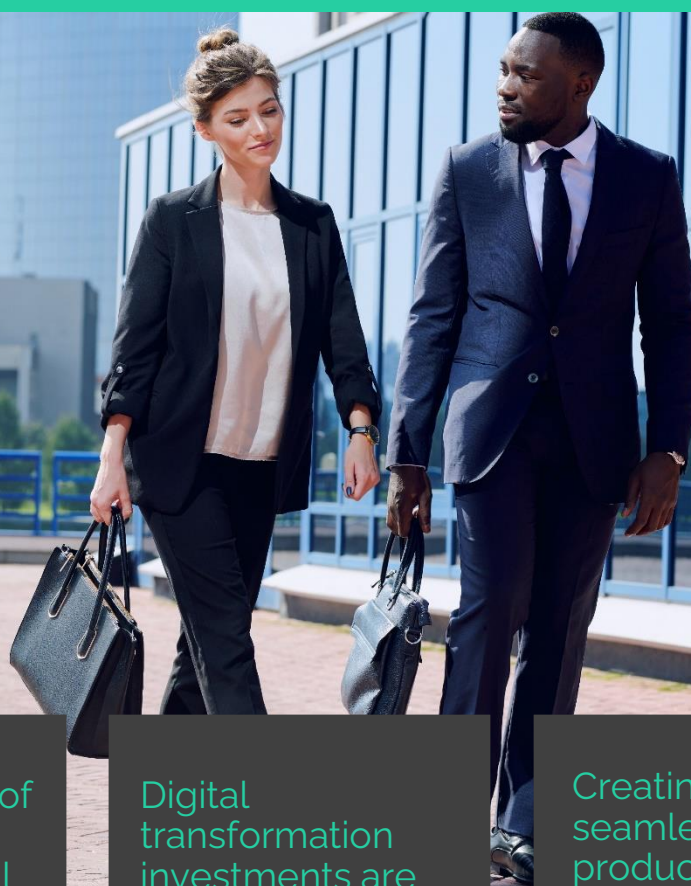


Position Paper on Digital Transformation in Business Travel



BT4Europe

A full digital transformation of business travel needed to unlock efficiency and sustainability gains



Only about 30% of the companies navigate a digital transformation successfully.

Boston Consulting Group

Digital transformation investments are projected to total USD 6.8 trillion by 2023.

Harvard Business Review

Creating a seamless and productive digital experience remains a central focus of our innovation efforts
CWT

Executive Summary

Today, business travel still involves too much paper and too much admin. Business travel buyers across Europe are moving from operating in a partially digitalized environment through to a full digital transformation and they urge the business travel industry and the European Union (EU) to enable and support their efforts.

BT4Europe represents buyers and users of business travel services on a European level and our Digital Transformation Workgroup has identified a range of areas where opportunities for digital technologies can be more fully leveraged by better EU guidance and regulation. Most of these opportunities can help save time and money, strengthen the protection of passenger rights and can also provide important benefits for the companies that send these passengers out on the road.

This Position Paper sets out the key asks that we have towards EU, which will address some of the most problematic areas and facilitate quick and effective benefits to the business travel community, as well as the EU economy and the environment.

- ✓ We urge the EU to exempt business travel from the mostly paper-based and bureaucratic A1 cross-border social security formalities and make use of digital transformation to facilitate an alternative solution.
- ✓ We urge the EU to ensure the Multimodal Mobility Digital Services initiative (MDMS) fully integrates booking, payment, and ticketing processes, across all forms of transportation and in particular integrating cross-border travel and last-mile journeys.
- ✓ We urge the EU to use the forthcoming review of EU passenger rights regulations to introduce end-to-end protection of passenger rights as a key aspect of multimodal travel, which must be guaranteed at all stages of the journey in a simple, integrated and digital way.
- ✓ We urge the EU to put pressure on travel service providers and if necessary, legislate, in order to encourage the delivery of CO2 emission data reports for purchased travel services. These should be free of charge for all corporate customers and in an interoperable digital format.
- ✓ We urge the EU to widen the scope of the 'CountEmissions' EU initiative with the objective to explicitly include business travelers staying at hotels and other forms of accommodation. .



Introduction

BT4Europe works to enable and promote business travel's digital transformation to a more sustainable, productive, and resilient future. Sharing best practices and facilitating learning across national borders are key pillars of BT4Europe's foundation. But we must go further and actively shape and encourage action by the European Union and its 27 Member States to create the right policy guidance and legal framework to provide a clear pathway for the digital transformation of business travel.

In its 'Sustainable and Smart Mobility Strategy' in 2020 and recent Work Programs, the European Commission outlined its objectives, which include making connected and automated multimodal mobility a reality – for instance by making it possible for passengers to buy tickets for multimodal journeys – and boosting innovation and the use of data and artificial intelligence – for smarter mobility, including passenger rights.

In this Position Paper, we set out the key challenges to achieving the sector's digital transformation, assess how they should be addressed, and make recommendations for action. We invite the entire travel sector to support these recommendations and the EU to take action to implement them.

BT4Europe is fully committed to constantly promoting and supporting European legislation to better enable sustainable business travel with its undeniable positive effects on the European economy. As Commissioner for Transport Adina Valean said: 'We have no time to lose in getting it fit for the future. Digital technologies have the potential to revolutionize the way we move, making our mobility smarter, more efficient, and also greener.'

1. Using the digital transformation to cut red tape

Since Regulation (EC) 883/2004¹ came into force in May 2010, employers must prove the social security affiliation of their employees in the EU by means of an A1 document, if they carry out cross-border activities.

In some EU Member States, this also applies to participation in internal meetings, congresses, and trade fairs or attendance at training events. Even short trips by car to a meeting, which is particularly common in border areas, may require an A1 document according to some Member States. Sending the information to the responsible insurance institution and the issuing the certificate, which must always be up to date, leads to a high administrative burden for private companies. This is not acceptable in times of digital paperless processes and hinders the European economy and the functioning of the EU internal market.

BT4Europe therefore urges the EU to limit the application of the above-mentioned requirement to provide a social security affiliation, by introducing a 14 days exemption. The digitalization of the process should facilitate any business travel stays longer than 14 days.

A frequent reason for a business trip are audits - i.e. investigation procedures in which products, processes or systems are checked for compliance with requirements or guidelines. These can be carried out internally at a company's facilities located in an EU member state other than the main office, or at a supplier from an EU member state to ensure quality processes. Maintenance and repair work under maintenance contracts is also a frequent reason for cross-border activities. The duration of all the above-mentioned work activities usually amounts to three to ten working days, plus arrival and departure days. For this reason, it would be ideal to set a maximum duration of 14 days, especially since the possible duration of social security affiliation of posting workers is 24 months.

Many of our members, especially the small and medium-sized enterprises that are strongly represented in our association, confirm that the bulk of their business trips would fall under a 14-day exemption regulation - it would not only make it much easier from the point of view of administrative burden, but also eliminate a great deal of legal uncertainty. If the EU succeeds in reforming the rules on the coordination of social security systems after the recent failed attempt, that could be used as an opportunity to exclude business trips from the scope of these rules. This will help avoid unnecessary administrative burden in the future, for companies, for the competent insurance institution and for the controlling authorities.

BT4Europe proposes the definition of business travel to be exempted from the EU rules:

Business trip means a temporary work activity or another temporary activity up to a maximum of 14 days related to the business interests of the employer and not including the provision of services or the delivery of goods, such as attending internal or external business meetings, a factory tour, a product presentation, attending conferences and seminars or receiving trainings, attending trade fairs, performing internal or clients audits, negotiating business deals, or exploring business opportunities.

The aim is to exempt business trips from redundant administrative requirements and achieve an effective reduction in bureaucracy for public authorities and the private sector alike. The exemption finds its justification from the special nature of business trips, which is radically different from such postings which require proof or notification. The exception should be based on the purpose of the trip itself, regardless of how early or late the travel is organized.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02004R0883-20140101>

2. Leveraging the digital transformation to facilitate multimodal travel and passenger protection

Why is it still not possible to travel door-to-door throughout Europe with one single ticket? Why can that first/last mile not be integrated into the entire trip, even though the sharing economy has gained in scale and popularity over the last ten years?

The European Commission's proposed Multimodal Digital Services (MDMS) initiative is an opportunity to address these challenges.

Now more than ever, we need modern mobility concepts to encourage the shift to more sustainable modes of transport and drive forward the decarbonization of the transport sector. For years now, digital technologies have enabled us to plan, book, and pay for journeys – yet we are still lacking cross-border "seamless mobility" based on end-to-end digital processes without discontinuities. And yet a functioning form of interconnected mobility would offer plenty of opportunities for sustainable travel planning, such as:

- targeted incentives to switch to more climate-friendly modes of transport, such as public transport instead of taxis or rail instead of air.
- a prompt for further digitalization of our mobility and enabling more efficient use of our various modes of transport, so that the overall volume of traffic could be reduced.

The advantage of intermodal transport use by business travelers:

We estimate the European total was around 54 billion euros in 2021, although unfortunately no official data is collected across Europe as a whole. Business travelers make an important contribution to the economy by ensuring that the hotel industry, catering and the majority of transport modes are operating to capacity and are economically profitable.

Companies want to encourage the switch to public transport. Apart from the cost savings, they are increasingly keen to encourage the use of sustainable forms of transport. So, if we could make the use of different modes of transport attractive and effective for business travelers, this would make a vital contribution to the digital and sustainable transformation of mobility. This is also supported by the fact that business travelers are generally open to digital applications. They are more likely than other groups to use such tools if it helps them organize their daily work more efficiently.



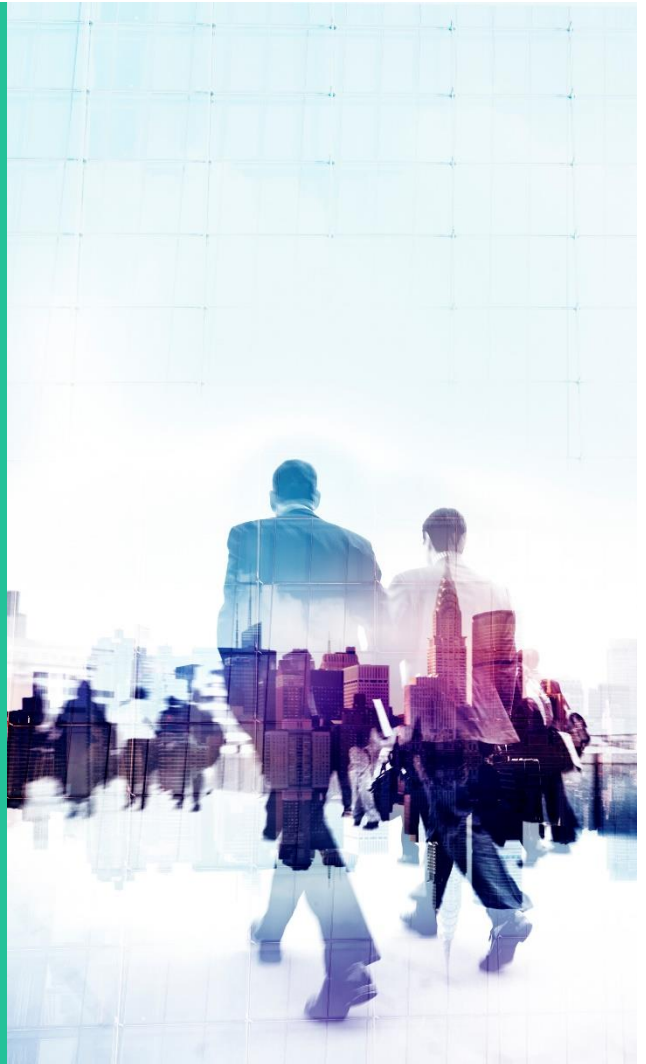
What needs to be done for business travelers to use intermodal mobility solutions?

Intermodal mobility is currently not possible across European borders due to the different selection, booking, payment, and ticketing processes – this is especially true for the integration of cross-border train rides and local public transport. Business travelers would increasingly switch to public transport modes if they were integrated into a travel chain and available as door-to-door mobility. If this were the case, all modes of transport could be planned, booked, and paid for in one application – and travelers would have a single, cross-border ticket instead of several individual tickets, which could then be passed on digitally to travel expense accounting. The automatic billing of the respective mobility providers in the intermodal travel chain would take place in the background (“clearing”). It goes without saying that the end-to-end protection of passenger rights as a key aspect of simple, safe and attractive cross-border multimodal travel must be guaranteed at all stages of the journey.

Currently, consumers who choose to combine different modes of transport are covered separately by different EU instruments for each leg of their journey, even if they have purchased a single ticket for their entire journey. In the future, this will require a new legal framework that ensures the end-to-end protection of passenger rights. It would also be helpful to compare the carbon footprint of different intermodal travel chains, including local transport, to facilitate taking sustainability aspects into account when selecting travel alternatives.

We believe the MDMS initiative due to be published by the European Commission in 2023 is an important opportunity to address these issues, and in particular it should include:

1. A minimum data set of static, dynamic and real-time data shared and disseminated between transport operators, transport modes and ticket vendors.
2. EU guidelines for operators to promote fair and non-discriminatory competition between parties and facilitate the conclusion of agreements.
3. Visibility of all modes of transport, including timetables and connections.
4. Booking option for all modes of transport in a single process.
5. Real-time information available during the journey.
6. End-to-end protection of passenger rights at all stages of the journey.
7. Rebooking and cancellation options.
8. Payment via a virtual payment system or business credit card.
9. Electronically available billing data compatible with the companies' automated billing processes.
10. A consistent methodology for informing travelers about the environmental impacts of their chosen travel options consistent with CountEmissions EU.





For the above-mentioned processes, companies need to have all mobility offers combined in one system with a uniform standard, i.e. compatible with company interfaces. An intermodal concept should therefore not only include technology enabling private use but also a business customer account for professional use – many providers already offer this option.

Companies with business travelers usually work with travel agencies. This means that travel agencies should also be able to integrate the systems of the intermodal offer into their processes.

How can existing challenges be overcome to enable EU-wide multimodal digital mobility services? The aim would be to have a freely available data set with all the fares and data in real-time, as provided for in the PSI Directive (Directive (EU) 2019/1024) on open data and the re-use of public sector information. This requires standardized and binding interfaces so that the different mobility providers can connect to the platform to both feed in their data and access the information of other data providers. Many mobility providers currently tend to use proprietary standards and interfaces, which massively limit the possibilities of data exchange.

Overarching ID management, IT security, and data protection, as well as approved arbitration models and uniform contract design, could ensure that interconnectivity between mobility providers based on governance principles, but also in interaction with users, is guaranteed.

Furthermore, it should be examined whether a public, provider-neutral data hub – a Mobility Data Space (MDS) – or a network of such national public data spaces could act as a central broker between mobility platforms, mobility service providers, and other service providers, such as digital map providers or technology providers, to break down existing barriers and get the expansion of EU-wide digital intermodal mobility solutions off the ground in the first place.

Finally, we urge the EU to use the forthcoming review of EU passenger rights regulations to introduce end-to-end protection of passenger rights as a key aspect of multimodal travel, which must be guaranteed at all stages of the journey in a simple and integrated way.

3. Make the most of the digital transformation for sustainability gains and transparency

The availability of CO2 emissions data from business travel is a prerequisite for the transformation effort toward incentivizing more sustainable business travel practices. However, obtaining CO2 emissions data for travel services is not as straightforward as it should be for corporate clients. While some travel service providers and travel agencies offer CO2 emissions data for flights as a standard practice and free-of-charge emissions reports to their corporate clients, other travel service providers treat this as a chargeable service of a consultancy character. The differences in practice vary largely across Europe and service providers.

We urge the EU to put pressure on travel service providers and if necessary, legislate, to encourage the delivery of CO2 emission data reports for purchased travel services. These should be free of charge for all corporate customers in an interoperable format.

Given that the recovery from the COVID-19 pandemic is still ongoing, and the financial power of the travel industry is still weak, we urge the European Union to ensure sufficient financial support is provided, which is essential to realizing the necessary investments in the digital solutions, required to provide accurate and timely CO2 data.

In addition, the business travel and tourism industry are and always has been a complex, isolated and fragmented sector. Many actors with different interests are involved and the mix of business and leisure makes the issue of standardization of emissions data measurement challenging, as the CO2 reporting, sustainability and environmental obligations of corporations traveling for business are not the same as those in place on individual leisure travelers.

In the absence of any European or international standards and methodologies, several organizations, private and NGO organizations, have taken up this lack of standardization and started to develop their own methodologies. As a result, there are numerous company-, project- and country-specific initiatives. On closer inspection, as of November 2022, we have multiple methodologies and no standards. Given the lack of uniformity an EU or global 'standard' is needed to enable transparency and improve the quality of CO2 data for business travel in Non-Financial Reports.

Following the example of the European Commission initiative "CountEmissions EU" to set a European standard for calculating and reporting transport emissions, a calculation standard for all types of travel services is equally required.

The initiative is designed to encourage the transport sector to track and reduce its emissions by creating a common framework for calculating CO2 emissions of transport operations in both freight and passenger applications. More specifically, the initiative aims to improve the environmental impact of transport through the following objectives:

Facilitating the uptake of CO2 emissions accounting business practices.	Making available and comparable information on the CO2 intensity of individual transport services.
Providing a single EU framework for calculating CO2 emissions data of transport operations.	Broaden the approach of CountEmissionEU to include accommodation, which is a natural component of business travel

About Us

We are the European Network of Business Travel Associations, and we call ourselves

BT4Europe
Business Travel for Europe for short.

Across Europe business travel is of vital importance to businesses, public institutions, and NGOs. We are the voice of those who buy business travel services and those who travel. The European Network of Business Travel Associations is registered in Belgium as a non-profit association.

The Executive Board is elected by the Annual General Meeting and consists of a Chair, a Treasurer and a Secretary.

Chair

Patrick Diemer
VDR

Treasurer














Dominic Short
ASTM

Secretary

Lotten Fowler
SBTA

BT4Europe has formed 4 working groups initially. These focus on Facts & Figures, Restart from Covid-19, Sustainability and Digital Transformation.

Participants:

 ABTA Austria, ABTA ✉	 BATM Belgium, BATM ✉	 DBTA Denmark, DBTA ✉	 FBTA Finland, FBTA ✉	 AFTM France, AFTM ✉	 VDR Germany, VDR ✉	 AITMM Italy, AITMM ✉
 NATM Netherlands, NATM ✉	 CORTAS Netherlands, Cortas ✉	 NBTA Norway, NBTA ✉	 ae gve Spain, AEGVE ✉	 SBTA Sweden, SBTA ✉	 ASTM Switzerland, ASTM ✉	

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