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Global Dispute Resolution: The Future of Virtual Legal Proceedings Is Shaped by Soaring Travel Costs

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While we may have passed through the worst of the global pandemic, it has unquestionably left a deep and lasting impact on our personal and professional lives. Restrictions that left everyone housebound for months on end resulted in adaptations to daily behaviors and how we do business—some of which are here to stay.

Progress in the Form of Virtual Proceedings

During the pandemic, keeping businesses afloat was challenging across the board in all industries. Videoconferencing was often the only option to connect with colleagues or to participate in a meeting of any kind, and the use of platforms like Zoom skyrocketed. Like most other businesses and professional organizations, legal forums around the world were closed for a time. When they began to reopen, they discovered a new (virtual) operational environment that arose out of necessity.

International arbitration centers and courts across the globe followed suit, reopening with a mandate to conduct business remotely. While they had already developed protocols for using technology to increase accessibility and efficiency before 2020, the use of videoconferencing in international arbitration centers and courtrooms took off rapidly and pervasively once the pandemic hit. The ramped-up schedule of online proceedings continues in international arbitration centers and courts now that they are increasingly comfortable with the virtual format, and protocols have been developed and vetted.

Many believe that these recent technological developments were long overdue. The pandemic essentially propelled the justice system to modernize its administrative and operational policies. Remote Courts Worldwide (a website created during the pandemic to encourage the global community of justice workers to exchange ideas related to remote alternatives to traditional court proceedings) documents that virtual hearings, arbitrations, and court proceedings are embraced by stakeholders in many countries. The consensus is that smart, efficient, industry-disrupting change has brought the international justice system into the twenty-first century. Virtual proceedings are a welcome change for many reasons, not the least of which is the prohibitively high cost of in-person attendance.

International Travel Costs & Virtual Legal Proceedings

The cost of air travel has increased markedly in 2022. Demand issues, inflation, and high fuel costs have driven up per-person airfares. According to the 2022 Global Business Travel Association's *Business Travel Index Outlook – Annual Global Report and Forecast*, total international business travel spending is downby 50% from pre-pandemic levels, but individual airfares are on track to rise nearly 50% this year over 2021 and are predicted to continue to rise in 2023.²

An intercontinental long-haul business class ticket from the United States will usually average between \$3,000 and \$5,000 roundtrip onboard major national carriers. Fares are often the highest on flights longer than twelve hours (i.e., to the Middle East, Australia, or Southeast Asia) and may range from \$5,000 to \$12,000.³

COMPARING COSTS FOR IN-PERSON ATTENDANCE

The following is an example of a business travel cost profile for an international arbitration hearing taking place in London and involving three <u>US</u> attorneys, two Paris attorneys, two local witnesses, and three litigation support personnel. The average business trip to London is 5.8 days⁴, during which these travelers will require accommodations for five nights, food for six days, and ground transportation for six days.

INTERNATIONAL BUSINESS TRAVEL EXPENSES & TRAVEL TIME TO LONDON FOR ONE LEGAL PROCEEDING

Person Traveling	Number	Originating City	Airfare	Travel Time	Hotel	Food	Ground	Total
US Lawyers	3	Chicago	\$3,079	\$5,850	\$2,200	\$750	\$400	\$36,837
Paris Lawyers	2	Paris	\$325	\$1,950	\$2,200	\$750	\$400	\$11,250
Witnesses	2	London	\$0	\$0	\$1,500	\$350	\$250	\$4,200
Trial Consultant	1 t	New York	\$2,325	\$2,400	\$2,200	\$750	\$400	\$8,075
Trial Presenter	1	Los Angeles	\$3,944	\$3,300	\$2,200	\$750	\$400	\$10,594
Graphic Designer	1	Dallas	\$3,079	\$3,000	\$2,200	\$750	\$400	\$9,429
Total In-								\$80,385

Person	Number	Originating Airfare	Travel	Hotel	Food	Ground	Total
Traveling		City	Time				

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Notes: Airfares based on Delta business class in November 2022. Travel time based on Chicago to London 9hr. x 2(RT) @\$325/hr.; Paris to London 3hr. x 2(RT) @\$325/hr.; NY to London 8hr. x 2(RT) @\$150/hr.; LA to London 11hr. x 2(RT) @\$150/hr.; Dallas to London 10hr. x 2(RT) @\$150/hr.

As demonstrated in the chart above, the cost of travel time can be as much or more than the cost of flights to attend an international arbitration or other legal hearing. Spending many hours traveling to and returning from the various steps of an international proceeding is not only an expense for a client, but productivity is also lost for the legal professionals involved.

If time is money, there could not be a more direct equivalency than the legal industry's billable hour, and often lawyers apply the same hourly rate for travel hours as for work hours. When complex matters demand a legal team, these costs are multiplied. Then there is the issue of witnesses who would need to travel and perhaps wait around to testify, not to mention the time commitment and expenses related to other on-site billers and support staff. Add in the unpredictability of airline delays, and costs will continue to mount.

VIRTUAL HEARINGS SAVE MONEY (AND THEY'RE HERE TO STAY)

With the cost of international air travel rising sharply, remote hearings are a practical alternative to inperson proceedings. International travel is expensive, and the virtual option means that it is no longer necessary to count travel as a "cost of doing business" when pursuing an international dispute. The widespread use of technology in global dispute resolution proceedings gives attorneys and their clients the option to participate remotely, which is a compelling cost saver for all parties.

Industry news reports tell the story:

Technology has become ubiquitous in international arbitration.⁵ Japan expedites court proceedings with Microsoft Teams.⁶ Beijing's "Internet Court" enables people to file lawsuits online.⁷ In India, 19.2 million cases have been heard virtually in the High Court and district courts.⁸

Such reports are convincing evidence of the commitment to the continuation of virtual proceedings in legal forums around the globe. Remote and hybrid proceedings in the international legal setting appear to have a very secure future.

Put Your Best Foot Forward in Virtual Legal Proceedings

Technology in the courtroom is not particularly a new concept, and international arbitration centers were working in the direction of modernizing when they had to fast-track guidelines to convert to primarily virtual hearings. The wholesale adoption of online proceedings may have caught some firms unprepared from a technical production standpoint.

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