October 2015

Common Position on Digital Transport and Logistics Forum (DTLF)

Introduction

CLECAT and FIATA, hereafter the associations, welcome the establishment of the Digital Transport and Logistics Forum (DTLF) and will assist the Commission in its efforts to further facilitate the digitalisation of freight transport. This with the aim to foster more efficient electronic exchange of information in transport and logistics, with the objective of removing technical, operational and administrative barriers within transport modes and between modes, as may be the case.

The associations have individually responded to the questionnaire circulated by the Commission following the first plenary meeting held in July this year. In this paper CLECAT and FIATA present joint views on the priorities and objectives of the Forum in particular with regards to the four themes identified by the Commission.

The associations maintain that the Forum will be most meaningful in reaching short and medium term results, if it limits itself to a practical and manageable agenda, refraining from over-ambitious goals.

Identified Priorities

1. Definition and acceptance of electronic transport documents;
2. Safe and interconnected systems for data exchange;
3. Languages/standards for seamless data exchange;
4. Adaptation of workers and users to digital technologies.

Theme 1: Acceptance of electronic transport documents

The Commission has identified the following issues as 'problematic'

- Use of electronic documents is prevented by lack of acceptance/recognition by relevant authorities, banks and insurances.
- Electronic documents are often developed in a single-mode or single-country perspective, preventing re-use of information.

FIATA / CLECAT comments:

- The EC and member states should encourage ratification of the e-CMR protocol by all countries in the EU and ETFA economic spaces. EU and member states should work to put

forth a timely strategy which would promote the ratification of the e-CMR protocol and bring this instrument uniformly to fruition in the entire economic space, as well as promoting its adoption in neighbouring areas through the instruments provided by the accession mechanism and the common foreign policy.

- The advantages of electronic transport documents are abundant and need no additional explanation: decreasing costs (reduction of costly paper process and cumbersome paper storage), reducing errors, simplifying the work of both market operators and public administrations (fast availability of information between stakeholders), improving speed of delivery and traceability, re-use of publicly available information, improving productivity to avoid re-entering data.

- CLECAT and FIATA do not believe that striving for the creation of a single transport document for all modes of transport is a good objective to pursue within the boundaries of the identified objectives. We must continue working with making individual documents for specific modes of transport available in digital format and ensure that their international nature is maintained.

- The objective of the Commission should be seeking a harmonized European legal and functional framework with focus on application of e-transport documents while maintaining the security and integrity of information exchange. The outcome of this should be that the legal rights and obligations of an e-transport document would be equivalent to that of the paper format. The Commission should not seek to replace or change the international framework for each mode of transport with a new one.

- CLECAT and FIATA continue to seek further support for the e-FIATA Bill of Lading and hope that the Forum can assist in showcasing that wide spread adoption would be beneficial to the industry. The main obstacle to the distribution of this state of the art instrument is the vertical integration of the chain, where support for ensuring the participation of shippers, carriers, finance institutions and insurances could assist in its deployment. Pilots are being carried out, but any additional element may be added to complete the puzzle and accelerate the process

- In order to clarify the global dimension of the issue on the table it is worth mentioning that CLECAT and FIATA work with several public and private sector interlocutor to promote the secure exchange of electronic record. In particular it is worth mentioning the ongoing work of the FIATA Advisory Body on Information Technology and the Advisory Body Legal Matters at UNCITRAL and UNCEFACT level as well as the Airfreight Institute led joint working activities with IATA and GACAG, where FIATA is leading the eCommerce Task Force. At the level of the World Customs Organisation FIATA is a member of the Private Sector Consultative Group and leads the section on data-flow of information.

Theme 2: Safe and interconnected systems for data exchange

The Commission has identified the following issues as 'problematic':

- Systems are not sufficiently interconnected (traffic management; public/private systems)
- Lack of critical mass for a sufficient number of successful pilot cases and to be informed about possible business models.
- Lack of trust in the security of information flows, in system reliability, in the identity of the interlocutor online, in the quality of the data received and the protection of sensitive data, as well as questions on data management and on liability for parties transmitting data.

FIATA/ CLECAT comments:

- Logistics service providers and operators continue to introduce increasingly sophisticated supply chain management tools in response to customer demand, this in a way is an advantage as our system are generally state of the art, but it must be recognised that legacy is an issue when different systems need to be made to work in good harmony.
- In particular in addressing the above first point it must be observed that whilst a number of services are sufficiently connected to produce a uniform and seamless network of service providers (e.g. financial services, telecoms) and largely benefit from the standardisation work provided by bodies such a UNCEFACT, others seem to struggle in reaching full integration, e.g. railways, urban transport systems, and other services like goods transport and logistics are still struggling with incompatible systems at both ends of the chain. Interfacing with regulators can even be an issue, as we have seen in many situations connected with security and quarantine.
- The EU institutions can play a role at legal level in coordination with world organisations such as the WCO and WTO; such coordination can assist in achieving an impactful critical mass, this can only be attained if there is a unifying legal framework at European and global levels. FIATA and CLECAT can support in raising awareness in the process and we maintain that the WCO has to be involved as they provide a worldwide benchmark with their WCO Data Model which we consider essential to interface a prevailing number of regulators in the world.
- The EC should consider public investment in IT systems in order to enhance the Businesses to Government data flows and promote the implementation of a security system which applies across the board. The necessary public investment in IT systems should be made in order to foster Business-to-Administration data flow in particular, but obviously this could ignite a virtuous cycle of investments also in the private sector. Governments should however, without further delay, upgrade their ICT system to enable a more efficient

Business-to-Administration and Administration-to-Administration data flow for their own benefit as well as the businesses.

- This would allow access to public data that would enhance efficiency within the industry by establishing common communication protocols between actors and allowing input to member states' current legislation and international projects enhancing the role of the EC in harmonising the legal framework which could become much simpler.

- We recognise that there is a problem of trust and in particular for the security of data. The sharing of data is beneficial to the industry provided we maintain certain security levels such as digital identification, authentication, authorisation which would allow selective data sharing with different stakeholders.

- Reassuring the roles and liabilities of each party sharing data should be encourage: data-sharing without the appropriate management could expose small and medium size enterprises to risks that they would be hardly equipped to fence or even evaluate.

- In this trail of thought we believe that the work which is being done at UNCITRAL Group IV, following the exclusion of transport related data from the eCommerce 2005 convention, is commendable and crucial. This group may achieve the publication of a set of Model Rules on the electronic transfer of data by 2016. This instrument might give an international dimension to the attempts made by the EU in this area.

- Developing standard legal procedures in case of a systems breakdown between government agencies and private operators with a focus on harmonisation throughout Europe could be achieved in harmony with the UNCITRAL model rules.

Comments on "corridor community systems"

- Interconnectivity between cargo community systems could be achieved through enhanced interoperability between the systems. In particular on TEN-T corridors we believe the experience made at UNCEFACT level could also be of assistance. There are several instruments that may come to assist, not only the various projects that are running at the moment, but also the numerous Recommendations on the establishment and interoperability of Single Windows.

- We support the establishment of community systems at logistic hubs such as ports and airports making them open to all parties through Single Window mechanisms. The community systems should however not be specific to any mode, but they should be working as a practical transfer desk where information is the common trade of all participating parties. These would become bodies that attain the specifications established for information intermediaries by UNCITRAL and as such authorised as may be appropriate or required by local regulation.

- Collaborative work, involving CCS managers, public and private operators in accordance with their responsibility / liability is an essential element in the creation of this collaborative environment.

Theme 3: Languages/standards for seamless data exchange

The Commission has identified the following issues as 'problematic'

- Repeated data submission into different systems because of a mosaic of non-interoperable standards
- When changing mode or when exchanging with a different counterpart, the same data often has to be re-entered, as the formats used in the different systems diverge and hinder the reuse of data from a system to another. This leads to administrative burden and costs and increases the perceived complexity of multimodal transport.

FIATA / CLECAT comments:

- A focus on interoperability at the legal and political level in order to enhance trust levels and facilitate data exchange. As a first step we suggest to focus on B2G operations, identifying the bottlenecks to start with and expanding the scope later to a cross-sectorial approach leading to SW interoperability.
- The work on standards is ensured at an international level by a number of entities, including the United Nations (UNCITRAL, UNCEFACT), WCO, WTO, and other international bodies. Common data exchange standards are a key factor to ensure interoperability between systems of business partners, but they are even more crucial when intercepted for regulatory compliance. The Commission could find its role in issuing recommendations to these international standardisation bodies and have a more vocal role in these bodies by orchestrating EU member states' presence in these fora, as and when deliverables are not readily available.
- With the rise of cloud based system, the differences in standards may become less relevant and the need for large scale harmonised interoperability between supply chain partners could become more relevant in making business choices, however we would caution the authorities form putting too much expectation on new technology for solving problem that actually can be resolved by adopting common policy solutions and standards.
- CLECAT and FIATA suggest that the Commission consults with the existing expertise available for formulating a long term strategy when creating a common set of data and messaging. Taking into consideration current UNCEFACT standards, the publication of a common reference standard should be made available in the public domain to assist harmonisation, but this step seems to be still far from the imprimatur. If the data is accessible in a public domain it requires a harmonised application among all users and these rules need to be set.
- The UNCEFACT Multi Modal Transport (MMT) project proposes to provide a solution at semantic level and this has been undertaken to achieve a common language based on agreed semantics for interoperability in freight transport information exchanges, this is a UNCEFACT project where FIATA and CLECAT have invested relevant efforts.

- The EU should also initiate and coordinate more collaboration between the numerous European projects (as is now the case between the CORE project and the MMT project) in particular with regards to the compatibility issues that appear to exist or persist with the compatibility in the standards.
- CLECAT and FIATA recommend utilising the UNCEFACT "Core Components" library and UNTDED – Trade Data Elements Directory ISO7372, which are key to the semantic library developed within UNCEFACT, provided the alignment with the WCO Data Model is maintained, as it has repeatedly been promised.
- Another deliverable that both CLECAT and FIATA would be keen to see available should include a recommendation for mapping data software tools that can be easily implemented by SMEs. This could become precious guidance in their choices and lead to greater harmonisation within the industry.

Theme 4: Adaptation of workers and users to digital technologies

The Commission has identified the following issues as 'problematic'

- Impacts of transport digitalisation need to be assessed and relevant support actions identified.

FIATA / CLECAT comments:

- A clear understanding of the current state and/or gap of the different aspects of logistics labour market and the impact of digital technologies is required, e.g. by means of a Europe-wide stocktaking/gap-analysis study, this should be done not by mode of transports but it should be deployed on the logistics market as a whole.
- The theme is relevant as much can be achieved by improving education and training. The main policy objective on freight transport personnel training should be to make the industry more attractive, to ensure well trained and diverse staff with a special focus on younger people, apprentices, scholars and people re-entering the labour market.
- The action should also take into consideration the age of staff with adapted training programs for younger generations at university level (transport and logistics schools), without forgetting the issues of employees who are already on the job by internal and/or life-long training.
- This theme can only be achieved through enhancement of training and education opportunities throughout the industry. FIATA's Advisory Body Vocational Training is tasked with validating programmes which meet a specific FIATA standard in training and such programmes exist in about seventy countries in the world. Most educational programmes in the EU provided by CLECAT and FIATA Members are compatible with these programmes and are produced in line with the FIATA Minimum Standards.

- FIATA has recently opened its arms to a wider audience of users by making the FIATA Logistics Academy (www.fiatalearning.com) available to provide training to members and non-members.
- It must be clear that the task of conducting vocational training must not fall on the EU institutions. This needs to be implemented locally by individual Member States or private initiatives. Trade Unions can also be a link to achieve training outcomes, unions should be consulted and their input valued.
- Funding plans can be developed and proposed by the EC to Member States to assist with the training within SMEs organisations locally. In addition, support to training institution and trade unions through programme development and funding at national or regional can also be provided.

In closing this submission, it seems to be clear that the most crucial elements of the Commission's action should be focussed in taking a more prominent role in coordinating member states' efforts at international level where system protocols and semantics are discussed as well as promoting best practice and coordination with the private sector through projects and assistance on the training initiatives which would then result in leading the way toward to the progressive, harmonious digitalisation of the sector.

Respectfully submitted in Brussels on October 26th, 2015.