



Industry Alliance for Multimodal IAM

CONNECTIVITY & LOGISTICS for GROWTH

June 2017

Position paper on e-Communication and Digitalisation in Logistics

Introduction

In view of 2018, proclaimed by European Transport Commissioner Violeta Bulc as the “Year of Multimodal Transport”, members of ‘I AM Connectivity and Logistics for Growth’ would like to reiterate a number of key principles, which are from their point of view, essential to enable industries in the logistics chain to gain efficiency and reliability both individually and collectively, while remaining competitive.

‘I AM’ members welcome the four announced priorities of the Estonian presidency – i.e. an open and innovative European economy, a safe and secure Europe, a digital Europe and the free flow of data, and an inclusive and sustainable Europe – and are looking forward to contributing and working constructively with the European institutions towards real progress on these topics.

Although the above mentioned four priorities are intrinsically linked, this paper will more particularly focus on digitalisation and on how, within Europe, data should ultimately flow in a sustainable manner to the benefit of EU domestic and external trade.

An efficient, sustainable and resilient logistics sector is dependent on a good co-operation between industry parties but also on relevant decisions and co-ordinated actions initiated by EU regulators and broadly enforced by Member States.

Methodology for e-communication

To assist in the seamless flow of cargo throughout the European Union, a common approach for cross European electronic communication (e-communication) must emerge. This methodology should ensure that communication systems are interoperable with one another and that data which are relevant to the movement of cargo, are effectively shared between actors in the logistics chain. This includes, first and foremost, an EU-wide endorsement by governments and enforcement authorities of e-communications on an equivalent legal basis as paper-based communications.

Multiple useful methods of e-communication already exist or are under development by the industry. The European Union must use these as a basis to foster an appropriate methodology for cross European e-communication to emerge.

In this respect the members of I AM welcome the proposal of the Commission in the recently published Mobility Package to make the acceptance of eCMR documents mandatory by Member States.

IAM members recognize that most of the data sets to be communicated (B2G) are already defined in legislation which should be endorsed (in particular the WCO Data Model which has been the basis for the new UCC data-sets).

Digital Transport and Logistics Forum (DTLF)

Current discussions in the Digital Transport and Logistics Forum (DTLF) are focusing on digitalization, acceptance of transport documents and the establishment of information Systems.

I AM welcomes the ongoing work of the DTLF to seek to make some very concrete recommendations towards governments and industry. We also believe that the Forum can play a key role in ensuring that legal uncertainties for industry are removed through legislative and non-legislative initiatives.

Digitalisation cannot be successful if transport documents are not accepted in all Member States Similarly, there is a need for an integrative approach towards interoperability which will serve all players in the logistics supply. I AM members are committed to increase efficiency along the supply chain through a pro-active approach to the sharing of data. The establishment of digital corridor information systems as proposed in the framework of DTLF will certainly facilitate data sharing between all stakeholders as it will stimulate the adoption of standards for interoperability within the logistics chain.

Agreement on the procedures of communication and access to information B2B, G2G and B2G

Obviously, some information that is important to the logistics chain is sensitive, for instance whether a container contains dangerous goods. It remains important that only those who 'need to know' have access to this data and to avoid unauthorized access. Some information is not (for instance the estimated time of arrival of a vessel). I AM members support further discussions on the need for the identification and definition of sensitive and commercial data in communications.

Developments such as blockchain and other new technologies will be applied by parties in the market in support of better planning, security of data, information exchange and the subsequent integrity of cargo and supply chains. In a blockchain environment, conditions will be set for the transaction of data to all parties in the chain. I AM members believe that it will be crucial those parties work in an open and technology neutral environment.

Risk assessment could be improved significantly for authorities and the private sector through sharing of electronic data with authorities. This could be through traditional transaction based processes, data pipelines and -platforms or entry of the data in the records of companies, which authorities have access to. Further innovative security management should reduce the compliance burden for industry while improving overall security.

Further guidance may be needed from the European Commission, through guidelines, about the interplay between the EU competition rules and the required co-operation and trust-based data sharing among companies which are often competitors at various levels within the logistics chain.

Better cross border cooperation through mutual recognition of freight documents

Harmonisation of e-communication with and between governmental bodies is more than ever essential and should be pursued as a priority by all parties involved. For instance, one of the main barriers to digitalisation is the existence of different national regulatory requirements which make investment in pan-European digital solutions unattractive as the incurred costs outweigh potential returns.

As noted before in this paper, this is due to the fact that because of different national regulations and specifications, we often only have a national standards rather than a European standard. Therefore, we believe that the creation of standardised and harmonised e-communication, through setting and accepting new digital standards for e-transport documents.

We welcome the fact that e-documents for freight (for instance eCMR in road transport) has become a priority for the European Commission. Without cross border cooperation and a wide recognition of e-transport documents further investment in digitalisation and more competition between various service providers who are willing to offer solutions, will be delayed. A clear legal framework will support further investments in IT systems.

Industry investments in IT systems

Sufficient TEN-T/CEF funding for the development of soft infrastructure would send a clear message that the European Union is committed to the development of interconnected ICT systems and making logistics chain truly digital. If the funding is conditional upon award criteria (one of which should be to prevent a distortion of competition) aiming at real and open connectivity then the speed of digitalisation and systems interoperability would most probably be accelerated.

I AM members call for better communication between INEA, the European Commission and the industry to identify funding opportunities for the development of transport related IT systems.

Cyber security

Digitalisation will not be successful unless state of the art cyber security measures and safeguards are ensured which should accompany the further roll-out of multimodal e-communications.

Members of I AM welcome the intention of the Estonian Presidency to embrace this topic and start a wide consultation of stakeholders to make the most appropriate proposals. It is indeed crucial that lessons learnt from existing security schemes implemented by different industries of the logistics chain are taken into account and that cyber security risks are assessed in cooperation with the industry prior to the elaboration of legislative proposals. Many companies have taken action in the area of cyber security and can therefore provide useful inputs about their experience.

Conclusion

The logistics sector is based upon an innovative spirit which seeks to deliver rapid, efficient service to its customers, simultaneously benefiting the economy and society. The challenges and benefits of digitalisation, as highlighted in this paper, are central to the innovation agenda in logistics, enabling smart logistics management which delivers goods more efficiently in terms of time, emissions and costs.

I AM members believe that it is important for upcoming initiatives from the Commission, particularly those consisting in financial support to new solutions, not to distort the necessary competition in the area of innovation that exists and should continue to prevail between individual commercial undertakings (be it big corporations or SMEs) belonging to different sectors of the logistics chain.

Collaboration in the supply chain seeks to deliver more efficient logistics based on data sharing, thus improving existing logistics processes. This requires an appropriate framework regarding data sharing and logistics practices to achieve the maximum benefits for the economy.