

# Position Paper

## Position on the electronic freight transport information regulation

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### Summary

On 17 May 2018 the European Commission published the proposal for a regulation on the electronic freight transport information regulation.<sup>1</sup> Bitkom would like to thank the Federal Ministry of Transport and Digital Infrastructure (BMVI) for the opportunity to comment on the proposal and would like to elaborate and expand on some aspects.

Bitkom welcomes the initiative of the European Commission to digitally recognise electronic freight information within the EU and with third countries. Bitkom agrees with the essence of the proposal, which facilitates the process to take full advantage of the modernisation of mobility as it emphasised in the text, e.g. „It is essential that tomorrow's mobility system is safe, clean and efficient for all EU citizens. The aim is to make European mobility safer and more accessible, European industry more competitive, European jobs more secure, and to be cleaner and better adapted to the imperative of tackling climate change. This will require the full commitment of the EU, Member States and stakeholders, not least in strengthening investments in transport infrastructure.”

In addition to the citizens' mobility systems, goods logistics is vital in the new conceptual design of transport and logistics. The meaningful use of digital technologies will form the basis, which will guarantee resource efficiency as well as economic success.

Bitkom sees the following five core requirements:

1. Bitkom recommends a European Single Windows, in which independent areas of customs clearance (Union Customs Code, UCC) and electronic freight transport information (eFIT) should be harmonised and should be discussed with (see page 5 - cital 6).
2. Bitkom proposes the concept of a **Federal Platform for the EU** in which national customs clearance systems could remain at the centre. Other systems and platforms can be grouped around it. At any point, each player has access to the required data and can share it with all relevant stakeholders. Authorities should not only accept digitised information, but also make their own data digitally available to the

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<sup>1</sup> REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on electronic cargo transport information (Text with EEA relevance) {SEC(2018) 231 final} - {SWD(2018) 183 final} - {SWD(2018)

different players. However access to critical data should be protected in the interest of the owner.

Not everyone in the supply chain has unrestricted access to all data. Each actor receives and delivers only the relevant data to the authorized actors. Business secrets and current EU and national law remain unaffected.

3. Bitkom recommends EU standards according to a multimodal reference model to include new forms of data exchange (methods / data formats), which are not known yet.
4. Bitkom proposes the access to exports has to be simplified for small and medium-sized enterprises.
5. An EU-wide integration of existing solutions and consideration of current and future developments, but also about consideration of international approaches (IMO, WSC, UN/CEFACT) should be possible.

Bitkom represents more than 2,600 companies of the digital economy, including 1,800 direct members. Through IT- and communication services only, our members generate a domestic turnover of 190 billion Euros per year, including 50 billion Euros in exports. Members of Bitkom employ more than 2 million people in Germany. Among the members are 1,000 small and medium-sized businesses, over 400 startups and nearly all global players. They offer a wide range of software technologies, IT-services, and telecommunications or internet services, produce hardware and consumer electronics, operate in the sectors of digital media or are in other ways affiliated to the digital economy. 80 percent of the companies' headquarters are located in Germany with an additional 8 percent each in the EU and the USA, as well as 4 percent in other regions. Bitkom supports the digital transformation of the German economy and advocates a broad participation in the digital progression of society. The aim is to establish Germany as globally leading location of the digital economy.

**Regarding the above stated requirements, Bitkom proposes the following:**

EC – COM(2018) 279 final/2	Bitkom	Justification
<p>(2) The movement of goods is accompanied by a large amount of information which is still exchanged in paper format, among businesses and between businesses and the public authorities. The use of paper documents represents a significant administrative burden for <b>logistic operators</b>.</p>	<p>(2) [...] <b>for logistics operators</b> and related industries, e.g. trade and manufacturing.</p>	<p>Logistics companies depend on their trading partners' (of the complete supply chain) data because they have to transmit them to the corresponding authorities either electronically or in paper format. This is why all stakeholders of the supply chain should be taken into account (production, processing, trade, logistics...).</p> <p>Bitkom recommends merging discussions on relevant electronic freight transport information and customs documents. (For explanations please find below: 5; 6; 8)</p>
<p>(3) The absence of a uniform legal framework at Union level requiring public authorities to accept relevant freight transport information, required by legislation, in electronic form, is considered to be the main reason for the lack of progress towards the simplification and greater efficiency made possible by available electronic means. The lack of acceptance by public authorities of information in electronic form affects not only ease of communication between them and operators but, indirectly, also hampers the development of simplified business-to-business electronic communication across the Union.</p>	<p>The acceptance of relevant freight transport information can only be the start. Bitkom pursues the vision of a complete digitisation of export/import processes (of the complete supply chain), as digitalisation does not mean the simple transfer of a paper document into an electronic format, e.g. scan or PDF.</p> <p>The overall approach needs to change: Freight transport information does no longer follow the structure of paper documents. The advantage of electronic / digital freight transport information is to provide fragmented data and content.</p> <p>All necessary information can be, fragmented and stored in a QR-Code, NFC or other wireless communication like sensor technology (chip), Smart Devices (Internet of things). Moreover it should be possible and more secured to just store identifications (for complex date), keys and/or pattern (public Data). Because with an identification it should be possi-</p>	<p>Bitkom has identified six further reasons in the process which hinder the Union's competitiveness in addition to the main reason indicated (see 1):</p> <ol style="list-style-type: none"> <li>1. Complexity of the legal framework: To implement all legal requirements correctly is complicated and requires specific knowledge and experience.</li> <li>2. Interpretation of the regulations: The legislation within the EU and third countries is being harmonized, but interpretation still differs case-by-case (interpretation of the authority's employees), which is also the reason why many documents are still carried in double or triple paper version.</li> <li>3. Complexity and multi-dimensionality: Concerns purchase contract, specifications of the recipient country, specifications of the product group, interpretation and justification of the provisions as well as the application of the goods etc. Many manufacturers of machine parts, e.g. valves, do often not know the exact</li> </ol>

	<p>ble to access complex information secured via an API. Blockchain technologies can bring transparency and security to the processes with smart contracts providing process automation potential.</p> <p>In the future, these or other methods (not known today) may also be used.</p> <p>Important is that individual data can be forwarded or can be downloaded from the corresponding authorized stakeholder anytime and anywhere in a secured way.</p>	<p>function of their component within the production process. For this reason, no exact description can be given, but are required by the authorities in most of the cases.</p> <p>4. Constant changes: Due to politics, existing regulations are constantly adapted, deleted or temporarily suspended.</p> <p>5. High risk: Failures in declaration, in duty of documentation, in verification or other specifics may result in severe penalties.</p> <p>6. Documentation: Current regulations, e.g. on the principles of orderly accounting (retention periods) partly contradict internal guidelines or requirements of the customs administration, other state authorities or data protection requirements.</p>
<p>(4) Some areas of Union transport law require competent authorities to accept digitised information, but this concerns by far not all relevant Union legislation. It should be possible to use electronic means to make regulatory information on freight transport available to the authorities throughout the territory of the Union and in respect of all relevant phases of transport operations conducted within the Union. Furthermore, that possibility should apply to all regulatory information, in all transport modes.</p>	<p>Authorities should not only accept digitised information, but also make their own data digitally available to the different players.</p> <p>Bitkom therefore requires a system into which data can be uploaded and downloaded.</p> <p>However access to critical Data should be protected in the interest of the owner.</p>	<p>Analyses based on extensive data sets allow companies to plan more precisely, optimize the production process and reduce inventory costs. Data exchange should only be possible between authorized business partners.</p> <p>Not everyone in the supply chain has unrestricted access to all data. Each actor receives and delivers only the relevant data to the authorized actors. Business secrets and current EU and national law remain unaffected. Secure encryption is a fundamental requirement.</p>
<p>(5) Member States' authorities should therefore be required to accept information made available electronically whenever economic operators are obliged to make information available as proof of compliance with requirements laid down in Union acts adopted in accordance Title VI of Part Three of the Treaty or, given the similarity of the situations, with Union legislation on the ship-</p>	<p>Before developing and implementing a procedure for the use of electronic freight documents, Bitkom requires the evaluation of the requirements as well as the potentials small and medium-sized enterprises in regards to electronic freight transport information / customs documents.</p> <p>These requirements and potentials should be taken into account in the</p>	<p>Bitkom considers significant growth potential of German and European foreign trade because of the digitalisation of customs and freight documents.</p> <p>Given the high degree of complexity in customs as well as the innumerable number of freight transport documents, many medium-sized companies do not dare to approach the export market.</p>

<p>ments of waste. The same should apply where a Member State's national legislation dealing with matters governed by Title VI of Part Three of the Treaty requires the provision of regulatory information identical, in whole or in part, to information to be provided under such Union legislation.</p>	<p>regulation.</p>	<p>Please find some figures on the export business of small and medium-sized enterprises</p>
<p>(6) Since this Regulation is only intended to facilitate the provision of information, specifically, by electronic means, it should not affect the provisions of Union or national law determining the content of regulatory information and, in particular, should not impose any additional regulatory information requirements. While this Regulation is intended to allow compliance with regulatory information requirements through electronic means rather by means of paper documents, it should not otherwise affect the relevant Union provisions on requirements regarding the documents to be used for the structured presentation of the information in question. The provisions of Union legislation on shipments of waste containing procedural requirements for the shipments as should equally remain unaffected by this Regulation. This Regulation should also be without prejudice to the provisions on reporting obligations set out in Regulation (EU) No 952/2013 or in implementing or delegated acts adopted under its terms.</p>	<p>Bitkom recommends a European Single Windows, in which independent areas of customs clearance Union Customs Code (UCC), and electronic freight transport information (eFIT), are harmonised. Further stakeholders should be discussed.</p> <p>Bitkom therefore proposes the concept of a Federal Platform for the EU:</p> <ol style="list-style-type: none"> <li>1. existing systems can be integrated and used further</li> <li>2. the Estonian National Single Window (which is currently under development) could be discussed as best practice</li> <li>3. competition is promoted</li> <li>4. no single-point-of-failure</li> <li>5. no exclusively private or state concept</li> </ol> <p>National customs clearance systems (adapted to the new requirements) could remain at the centre of the Federal Platform. Other systems and platforms such as the Trade SW - e-Freight - e-Trade - Port Community System, Maritime SW and systems for the exchange of electronic freight transport information can be grouped around it.</p> <p>At any point, each player has access to the required data and can share it with all relevant stakeholders. How-</p>	<p>Bitkom considers the risk that the complicatedness, complexity as well as the bureaucratic effort for companies will grow even more due to additional (competing) platforms created in parallel to customs clearance.</p> <p>A new or upgraded system should be resource efficient and meaningful.</p> <p>For example flag states. This concerns, among other things, security-related topics.</p> <p>Even if harmonization will not be easy at this level, since UCC is responsible for EC in DG TAXUD (in DE with BMF) and eFTI in DG MOVE (in DE with BMVI). Nevertheless, a cross-departmental approach is essential for the sustainable success of the project. In our point of view, official cooperation in the interests of the European economy as a whole is expedient.</p> <p>Acceptance has to be generated at all levels, including politics and customs. Open API as well as Open Data are part of a new concept.</p> <p>A protection mechanism for abuse should be considered.</p>

<sup>2</sup>[https://www.destatis.de/DE/Publikationen/WirtschaftStatistik/2016/02/DeutscherMittelstand\\_022016.pdf?\\_\\_blob=publicationFile](https://www.destatis.de/DE/Publikationen/WirtschaftStatistik/2016/02/DeutscherMittelstand_022016.pdf?__blob=publicationFile)

<sup>1</sup>[https://ec.europa.eu/taxation\\_customs/business/union-customs-code/ucc-legislation\\_en](https://ec.europa.eu/taxation_customs/business/union-customs-code/ucc-legislation_en)

	<p>ever access to critical Data should be protected in the interest of the owner.</p> <p>ATLAS and all other common European customs systems and document platforms in the EU could be extended according to this model. The aim would not to set up a complete new parallel system just for electronic freight documents, but to connect and to extend the existing systems with new ones. Bitkom would welcome a strategy whereby EU standards would be based on a multimodal and interoperable reference model from which new forms of data exchange can be created (methods and data formats).</p>	
<p>(7) The use of electronic means for the exchange of information in accordance with this Regulation should be organised in a way that ensures security and respects the confidentiality of sensitive commercial information.</p>	<p>It is important to ensure true digital identities and encryption. Information must be stored (as well as the collection of data) trustfully (tamper proof) and all changes should be recorded transparently. Blockchain technologies might enable this.</p> <p>Authentication and identification: Regulation (EU) 910/2014 (“eIDAS”) provides a proven framework for services that support both trusted identity validation and authentication. Services regulated by this regulation should be accepted for the purposes of validating the identifies of natural persons and legal entities and of authenticating the same when interacting with or creating binding statements in the eFTI-related transactions. Requirements for such identity validation and authentication should be consistent across all Member States, and should adequately take into account the use of fixed and mobile equipment, the latter being used by freight forwarders while in-route.</p>	

	Member States should ensure that the requirements so established secure a truly unified process and should not be affected by the inconsistent application of this regulation.	
(8) In order to enable operators to provide relevant information in electronic form in the same way in all Member States, it is necessary to rely on common specifications, to be adopted by the Commission. Those specifications should ensure data interoperability for the various data sets and subsets concerning the relevant regulatory information, and determine common procedures and detailed rules for access and processing of that information by the competent authorities.	The platform should not be exclusively provided by the private sector or exclusively by a public operator. Only certified partners should be allowed to participate; basic certifications should be sufficient to enable Start-Ups and SMEs to enter the market. Freight forwarder: Every participant should be able to connect to any business partner stakeholder in the network.	Instead federal platform, see 6
(9) In defining those specifications, due account should be taken of relevant data exchange specifications laid down in relevant Union law, and in relevant European and international standards for multi-modal data exchange, as well as of the principles and recommendations set out in the European Interoperability Framework <sup>27</sup> , which provides an approach to the delivery of European digital public services commonly agreed by the Member States. Due care should also be taken that these specifications remain technology neutral and open to innovative technologies.	EU standards according to a multi-modal reference model, to include new forms of data exchange – (methods / data formats) which are not known yet.	See 6
(10) This Regulation should establish the functional requirements applicable to information and communication technology based platforms which could be used by economic operators to make available the regulatory freight transport information in electronic format (eFTI) to the competent authorities (eFTI platforms). Conditions should also be established for third party eFTI platform services providers (eFTI	Since this proposal only deals with B2G relationships Bitkom support this proposal: as long as the discussion is about documents to be submitted to the authorities.	See 6 However, it should become clear that documents are being referred to which are being exchanged electronically. These are on the one hand documents relevant for customs, but also documents in the field of dangerous goods or within the framework of the entering requirements regulation (in this case especially documents relating to health). And it should also become clear that

<p>services providers).</p>		<p>any missing documents should be digitalized with high urgency, e.g. usage certificate, repair certificate, active inward processing standard.</p> <p>The rules of the game still have to be defined, so Bitkom proposes an association hearing and a workshop to bring all interests together (also involved should be DG TAXUD, DG Move and other authorities (in Germany: BMVi, BMF, Flag State and others))</p>
<p>(11) To build the confidence of both the Member States authorities and the economic operators as regards the compliance of the eFTI platforms and eFTI services providers with those requirements, the Member States competent authorities should put in place a certification system underpinned by accreditation in accordance with Regulation (EC) 765/2008 of the European Parliament and of the Council<sup>28</sup>.</p>	<p>This point lacks a slightly stronger impulse on the use of already established standards/interfaces/documents. They could also operate without additional certification. See also point 8</p>	<p>See also point 8 Certification process should not become a bottleneck in any case. A best practice could be the interface descriptions in the area of SMDG for maritime shipping and the well-known Airwaybill (AWB) in the area of aviation.</p>
<p>(14) Implementing powers should also be conferred on the Commission to establish detailed rules for the implementation of the requirements for eFTI platforms and for eFTI services providers.</p>	<p>EU COM should link the existing and future formats through reference models. DG MOVE should cooperate with DG TAXUD to re-use the same data structures. Ideally the data from both sources is made available through API in an anonymized form.</p>	<p>But there are customs administrations that use IATA's eManifest as a customs document.</p>
<p>(15) In order to ensure the proper application of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission: - to amend Part B of Annex I, in order to incorporate the lists of regulatory information requirements in Member States' legislation notified to the Commission by the Member States in accordance with this Regulation; - to amend Part A of Annex I to take</p>	<p>In particular, a fully electronic handling of logistics and import processes could be very easily made possible on the basis of the eIDAS Regulation 910/2014 (eID, eSignature, eSiegel etc.). The flexibility afforded by eIDAS supports all steps of the process envisioned by this Regulation, and the requirements for each means of authentication should be consistent across all Member States.</p>	

<p>into account any delegated or implementing acts adopted by the Commission which establish new Union regulatory information requirements in relation to the transport of goods;</p> <ul style="list-style-type: none"> <li>- to amend Part B of Annex I to incorporate any new provision of relevant national legislation which introduces changes to the national regulatory information requirements, or lays down new relevant regulatory information requirements falling under the scope of this Regulation notified to the Commission by the Member States in accordance with this Regulation;</li> <li>- to supplement certain technical aspects of this Regulation, namely as regards the rules for certification of eFTI platforms and eFTI services providers.</li> </ul>		
<p>(16) It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law –Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as the Member States experts, and their experts systematically have access to meetings of Commission expert groups dealing with the presentation of delegated acts.</p>	<p>Bitkom offers its knowledge and network to participate in the process</p>	<p>The guidelines still have to be devised, so Bitkom proposes an association hearing and a workshop to bring all interests together (including DG TAXUD, DG Move and authorities should also be involved). (See 10)</p>
<p>(17) Since the objectives of this Regulation, namely to ensure a uniform approach to acceptance by Member State authorities of freight transport information made available electronically, cannot be sufficiently achieved by the Member States but</p>	<p>The system will be designed in such a way that legal changes are automatically displayed when filling in the files, uploading the information and are automatically sent to the users of the system (convenience, usability).</p>	<p>This regulation should reduce bureaucratic burden to a minimum by using digital technologies.</p> <p>The Regulation should facilitate access to export business for companies of all sizes (SMEs, large corpo-</p>

<p>can rather, by reason of the need to establish common requirements, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.</p>		<p>rations and start-ups), promote new business models and enable secure data exchange. In this context Bitkom refers to an automated, interoperable platform / system. Which means every change in one of the parameters through a governmental authority needs to be announced, tested and implemented in a qualifying period.  A best practice could be any release change in ATLAS (Germany's the SW Customs)</p>
<p>CHAPTER I GENERAL PROVISIONS</p>		
<p><i>Article 1 Subject matter and scope</i></p>		
<p>1. This Regulation establishes a legal framework for the electronic communication of regulatory information related to the transport of goods on the territory of the Union. For that purpose, this Regulation: (a) lays down the conditions under which Member States' competent authorities are required to accept regulatory information when made available electronically by economic operators concerned; (b) lays down rules for the provision of services related to making regulatory information available electronically by the economic operators concerned.</p>	<p>See 17</p>	<p>See 17</p>
<p><i>Article 7 Common eFTI data set, procedures and rules for access</i> The Commission shall establish the following by means of implementing acts: (a) a common eFTI data set and subsets in relation to the respective regulatory information requirements, including corresponding definitions for each data element included in the common data set and subsets; (b) common procedures and detailed rules, including common technical specifications, for competent au-</p>	<p>Suggested insertion: <b>(c)</b> common procedures and detailed rules for validating the identity of any natural person or legal entity issuing legally binding statements hereunder.</p>	

<p>thorities' access to eFTI platforms, including procedures for processing of regulatory information made available electronically by the economic operators concerned.</p> <p>Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).</p>		
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