

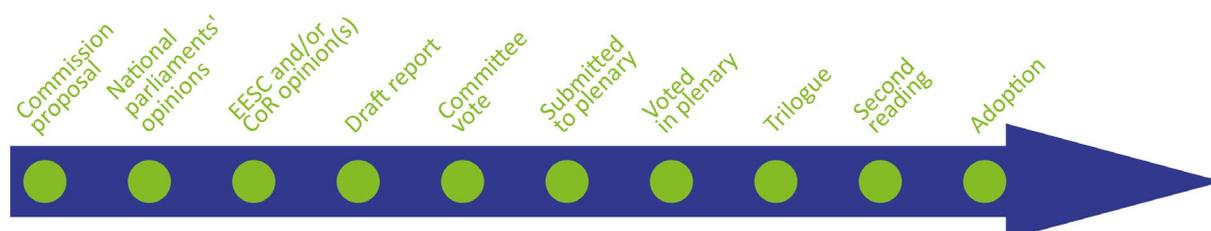
Electronic freight transport information

OVERVIEW

The movement of goods in the European Union has increased by almost 25 % over the last 20 years, and this growth is projected to continue. A large amount of information accompanies this movement, exchanged mostly in paper format. Yet the digitalisation of information exchange could make the transport of goods much more efficient and reliable, and yield significant savings.

As one way to speed up the digitalisation of freight transport, the European Commission adopted a proposal for a regulation on electronic freight transport information on 17 May 2018. The aim of this regulation is to provide for a fully digital and harmonised environment for information exchanges between transport operators and authorities. The legislative proposal is part of the Commission's third 'Europe on the Move' package, which is designed to complete its agenda for the modernisation of mobility. The European Parliament adopted its position on the proposal on 12 March 2019. The Council, on its side, reached a general approach on this proposal on 6 June 2019. The Council and Parliament reached a provisional agreement on the proposal on 26 November 2019. The Council adopted the text at first reading on 7 April 2020, and the Parliament approved it at second reading on 8 July. The final act was published in the Official Journal on 31 July 2020.

Proposal for a regulation of the European Parliament and of the Council on electronic freight transport information		
<i>Committee responsible:</i>	Transport and Tourism (TRAN)	COM(2018) 279 17.5.2018
<i>Rapporteur:</i>	Andor Deli (EPP, Hungary)	2018/0140 (COD)
<i>Shadow rapporteurs:</i>	Johan Danielsson (S&D, Sweden) Izaskun Bilbao Barandica (Renew, Spain) Marco Campomenosi (ID, Italy) Tilly Metz (Greens/EFA, Luxembourg) Kosma Złotowski (ECR, Poland) Elena Kountoura (GUE/NGL, Greece)	Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Procedure completed.</i>	Regulation (EU) 2020/1056 OJ L 249, 31.7.2020, pp. 33-48	



Introduction

The [movement of goods](#) in the European Union has increased by almost 25 % over the last 20 years, and is predicted to increase by a further 51 % between 2015 and 2050. [Total freight transport activities](#) in the EU in 2015 amounted to an estimated 3 516 billion tonne-kilometres.¹ Almost half (49 %) of these activities were carried out by road, followed by sea (31.6 %), railway (11.9 %), inland waterway (4.2 %) and oil pipeline (3.3 %). Only 0.1 % of goods were transported by air.

All these freight transport activities are accompanied by a large amount of information, which, in 99 % of cases, still involves paper documents at one stage or another. This is mainly because many stakeholders (Member State authorities, clients and business partners) still do not always accept electronic freight transport information when provided as evidence of compliance with rules for the transport of goods. The Commission's proposal states that two main, mutually reinforcing drivers underpin this problem:

- a fragmented legal regime setting inconsistent obligations for authorities to accept electronic information or documents;
- a fragmented information technology (IT) environment with non-interoperable systems and solutions for electronic freight transport information exchange.

Furthermore, various stakeholder are not sure whether they can trust a document presented electronically.

Yet the digitalisation of information exchange could make the transport of goods much more efficient and reliable and generate significant savings. A cut in administrative costs could save industry between €20 and 27 billion over the 2018-2040 period, according to Commission [estimates](#). In addition, there would be positive impacts on congestion and the environment as an electronic freight transport information would generate significant CO₂ emission and natural resource savings.

Existing situation

Currently, the legal framework for acceptance of electronic freight transport information in the EU is patchy and incomplete. Although some EU legal acts require stakeholders to accept electronic transport information, they do so only for specific regulatory purposes, in specific transport modes. For instance [Directive 2010/65/EU](#) on reporting formalities for ships arriving in and/or departing from ports of the Member States obliges EU Member States to 'accept the fulfilment of reporting formalities in electronic format' and [Commission Implementing Regulation 2015/1998](#) on aviation security provides for the possibility to prove compliance with security requirements by electronic means.

There are also mode-specific international agreements (such as the [Additional Protocol to the United Nations Convention for the carriage of goods concerning the electronic consignment note](#), often referred to as the e-CMR)² that allow for the exchange of electronic freight transport information if it fulfils certain general requirements. However these general requirements vary significantly between the various agreements governing mode-specific international contracts of carriage and do not usually provide guidance on technical implementation.

At national level, Member States' legislation on acceptance by authorities of electronic freight transport information differs between and within countries, depending on the mode of transport or regulatory purpose. Some Member States oblige the relevant authorities to always accept electronic means for certain regulatory purposes, while in others, electronic means are never accepted for those purposes.

Technical systems for the electronic exchange of transport information also vary between and within countries and transport modes, even sometimes within the same country and for the same transport mode.³ They usually contain different information, are based on different technical protocols, and use different devices and solutions.

Parliament's starting position

The European Parliament has repeatedly called for better use of digital technologies in transport. In its [2017 resolution](#) on road transport in the EU, Parliament urged 'the Commission to increase harmonisation in passenger transport and transport of goods' and to encourage the use of digital technologies. In the [2016 resolution](#) on new opportunities for small transport businesses, including collaborative business models, it noted that transport needed to be organised in an 'increasingly integrated, digitalised and multimodal way'. It also called upon 'the Commission and the Member States, in cooperation with the social partners, to assess on a regular basis the impact of digitalisation on the number and types of jobs in the transport sector, and to ensure that employment and social policies keep pace with the digitalisation of the transport labour market'. In its [2015 resolution](#) 'on the implementation of the 2011 white paper on transport: taking stock and the way forward towards sustainable mobility', the Parliament emphasised 'that digitalisation is vital to improving the efficiency and productivity of the transport sector'.

More specifically, the Parliament raised the issue of electronic freight transport information in its [2016 resolution](#) on logistics in the EU and multimodal transport in the new TEN-T corridors, in which it urged 'the Commission to propose, by the end of 2017, a digital framework for electronic information exchange and transport management in multimodal transport (e-freight) with a view to facilitating a simplified, paperless, seamless, transparent, secured and trusted information flow between businesses, customers and authorities, building on established services'. It also called upon the Member States to accept electronic transport documents and to ratify and apply the e-CMR.

Parliament's Committee on Transport and Tourism (TRAN) also raised the question of the digitalisation of transport documents during discussions and in reports on the legislative proposals for the first 'Europe on the Move' package (for instance in its [report](#) on posting drivers in the road transport sector).

Council starting position

Council touched upon the issue of electronic freight transport information in its [2017 conclusions on the digitalisation of transport](#). It called upon the Member States, for instance, to accede to the e-CMR protocol as a matter of priority. Furthermore, Council called upon the Commission 'to apply the "digital by default" and "once only" principles when developing new enabling or evaluating existing legislation'. The first principle requires public administrations to deliver services digitally by preference. The latter principle requires them to ensure that stakeholders have to provide the same items of information to a public administration only once. The Council urged the Commission to work on enhancing the cross-border interoperability of digital services.

Preparation of the proposal

The Commission has recognised the need to speed up the acceptance of electronic transport information in a number of policy-setting documents such as the [2011 white paper on transport](#), the [2015 digital single market strategy](#) and the [EU eGovernment action plan for 2016 to 2020](#). Digitalisation of transport documents was also a focus during the Estonian presidency of the EU, in particular during the [Tallinn Digital Transport Days](#) in November 2017.

In 2015, the Commission set up a [digital transport and logistics forum](#) (DTLF) where Member States and relevant transport and logistics operators can help each other to promote the electronic exchange of information in transport and logistics. The DTLF also offers the Commission advice and technical expertise when preparing legislative proposals and policy initiatives in the field of the digitalisation of transport and logistics.

In its 2017 [inception impact assessment](#), the Commission recognised that despite past efforts to digitalise transport documents, the vast majority of goods transport operations within the EU still involve the use of paper documents, in particular when it comes to multimodal and cross-border

transport. Many stakeholders still do not accept electronic transport information, and IT solutions for this exchange of information are often transport mode- or country-specific. This generates an unnecessary administrative burden and costs, and inefficiencies in entire transport and logistics chains. To overcome the problem, the Commission recommended EU level action, as measures at Member State level would have only a limited impact.

In 2017 and 2018, the Commission has carried out various consultation activities in preparation for the legislative proposal. It has held an [open public consultation](#), panel surveys, interviews, meetings and workshops and examined several case studies. The opinions gathered during this consultation have confirmed that the main driver of the problem is that many stakeholders do not accept electronic transport information. Respondents also mentioned the lack of interoperability of IT systems and solutions. Most respondents considered that Member States' authorities should be legally obliged to accept electronic transport information. They also favoured standardised technical specifications for sharing data.

The Commission legislative proposal on electronic freight transport information is accompanied by an [impact assessment](#). The impact assessment considers various ways to address aforementioned problems, ranging from non-legislative measures to an EU law obliging Member State authorities to accept electronic transport information. Options also vary on the range of cargo and transport information covered. Ultimately, the impact assessment opted for the general obligation for Member States authorities to accept any electronic transport information that may serve as evidence of compliance of a determined transport operation with the rules applicable in the EU. However, the preferred option did not impose fully common technical specifications for interoperability; nor would it forbid businesses from using paper documents if they so wished.

The main benefits of the preferred option would be economic and environmental. According to the Commission's estimates, it would allow the industry to save between €20 and 27 billion between 2018 and 2040, compared with the scenario where no EU-level policy action is taken. Moreover, this option would allow to secure a CO₂ emission reduction of 1 300 000 tonnes over the 2018 to 2040 period and cut congestion costs by almost €300 million. In addition, about 2 to 8 billion sheets of paper or 180 000 to 900 000 trees would be saved every year. It could also have a positive impact on the internal market as it would help businesses to save on costs.

The preferred option would however also have some disadvantages. It would entail some investment costs (about €268 million for public authorities and €4.4 billion for businesses) and could have a slightly negative impact on employment if the people involved in processing paper documents were not deployed in other jobs that could be created with the growth of the sector.

The changes the proposal would bring

The Commission's [proposal](#) to adopt a regulation of the European Parliament and of the Council on electronic freight transport information is mainly technical in nature. It would apply to both intra-EU international transport and international transport having its origin, destination or transition in an EU Member State. The proposal is structured in five chapters: the first and last ones introduce the general scope and horizontal issues, the other three set more detailed requirements.

The main change would concern the obligation on EU Member State authorities to accept electronic freight information. They would have to do it in a uniform manner. The proposal also suggests that the IT systems and solutions used for the electronic exchange of freight transport information should be interoperable.

In more concrete terms, if an economic operator would like to transmit the information required to the competent authorities electronically, it would be able to do so by means of electronic freight transport information (eFTI) platforms certified by the national authorities.

The proposal would oblige the Commission to adopt implementing acts establishing a common eFTI data set and subsets, and laying down common procedures and rules for access to and processing by the competent authorities of regulatory information provided electronically.

The proposal would specify that on eFTI platforms:

- personal and commercial data would be protected;
- it would be possible to establish an electronic identifying link between the data processed and the physical shipment of goods;
- data would be processed only on the basis of authorised and authenticated access;
- processing operations would be recorded;
- it would be possible to archive the data;
- data would be protected against corruption and theft;
- data elements processed would correspond to the eFTI data set and subsets.

The proposal would also set various requirements for eFTI services providers. They would have to ensure that:

- data were processed only by authorised users;
- data were stored and accessible for a specific period of time;
- authorities had immediate access to regulatory information on freight transport operations processed in an eFTI platform;
- data were secured.

The Commission would adopt more specific rules for eFTI platforms and electronic service providers later, by means of delegated and implementing acts.

Finally, the proposal would oblige the Commission to evaluate the regulation five years from its date of application. It would also require Member States to send the Commission every two years the number of competent authorities that had access to and processed information via eFTI platforms as well as the number of economic operators that had made regulatory information available to Member States authorities via these platforms.

Advisory committees

The European Economic and Social Committee (EESC) and the European Committee of the Regions (CoR) have both been consulted mandatorily on this legislative proposal.

The EESC adopted its [opinion](#) on 17 October 2018. The rapporteur was Stefan Back (Employers – Group I / Sweden). The opinion expresses the hope that the regulation on electronic freight transport information will be adopted rapidly and that, in future, users will be obliged to present freight transport information electronically.

The CoR's Commission for Territorial Cohesion Policy and EU Budget (COTER) decided at its [6 June 2018 meeting](#) not to issue an opinion on this file.

National parliaments

The [deadline](#) for submitting a reasoned opinion on grounds of subsidiarity and proportionality was 14 September 2018. None of the 11 parliamentary chambers from the 10 Member States that scrutinised the proposal raised subsidiarity concerns.

Stakeholder views⁴

As mentioned above, the Commission organised several consultations of stakeholders in preparation for the proposal. The [open public consultation](#), held between 25 October 2017 and 18 January 2018, and the small and medium-sized enterprise (SME) panel survey, held between 24 November 2017 and 22 January 2018 received respectively 100 and 267 responses.

The vast majority of stakeholders consulted saw significant or at least some benefits from exchanging transport information electronically. Some 90 % of respondents to the consultation said that the main reason why freight transport information was still exchanged in paper format was that Member State authorities did not always accept electronic transport information. For them, the most effective approach would be to legally oblige the authorities to accept this information. For the smaller companies consulted in the SME panel survey, the main reason was that their commercial partners tended to use paper transport documents. More than 70 % of the respondents to the consultation and the SME panel also mentioned the lack of interoperability of IT systems and solutions, and favoured standardised technical specifications for sharing data.

Stakeholders have also expressed their views on other matters. For example, the European Association for Forwarding, Transport, Logistics and Customs Services ([CLECAT](#)) agreed in its [2017 position paper](#) on digitalisation in transport and logistics that 'digital documents and the digital exchange of data within the supply chain are the way forward'. It recommends, inter alia, re-using existing measures to improve the exchange of electronic transport information and insists on the importance of legally obliging authorities to accept digitally provided data. It also suggests that the Commission's actions should not be simply 'about replacing paper documents with electronic equivalents, but about how to exchange data in a future-proof manner'.

Legislative process

The European Commission adopted the proposal for a regulation on electronic freight transport information on 17 May 2018.

In the European Parliament, the file was assigned to the Committee on Transport and Tourism (TRAN), while the Committee on Internal Market and Consumer Protection (IMCO) was consulted for an opinion, but decided not to give an opinion. The TRAN committee appointed Claudia Schmidt (EPP, Austria) as rapporteur. Her [draft report](#) was published on 25 October 2018.

In the draft report, the rapporteur welcomes the Commission proposal but finds it rather limited in scope. She proposes to include in the scope of the proposal other relevant regulatory information in the field of transport (such as Community licence, roadworthiness, driver's qualifications). She also suggested that the Commission examines within two years of the date of application of the regulation the possibility of extending its scope to certain business-to-business information governing the transport of goods. Finally, she proposed to determine more specific rules for eFTI platforms and electronic service providers through delegated acts, not in implementing acts.

In December 2018, TRAN committee Members put forward a total of 103 amendments to the file. The TRAN committee adopted its [report](#) on 29 January 2019, making only a few changes to the rapporteur's draft report. It strengthened the protection of commercial and personal data in the text. While it did not confirm the rapporteur's proposal to include other relevant regulatory information in the field of transport in the scope of the proposal, the committee did approve the possibility to assess whether to extend the scope in the future to business-to-business information.

The Parliament as a whole adopted its [position](#) at first reading during its plenary session on 12 March 2019 (612 votes in favour, 28 against and 23 abstentions). None of the main points of the TRAN report were changed by the Parliament as a whole. Following the 2019 European Parliament elections, Andor Deli (EPP, Hungary) was appointed rapporteur.

The Council, on its side, reached a [general approach](#) on this proposal on 6 June 2019. It stated that all relevant public authorities (not just Member States' authorities) would be required to accept information made available electronically on certified platforms when companies use this format to provide information. However, companies would still be able to present the information in paper format if they prefer to do so. The Council introduced a number of clarifications, for example regarding the scope, requirements and responsibilities of all parties involved. It added a definition

of 'competent authority' and extended the transition period from four to six years. This represented Council's position in respect of negotiations with the Parliament.

The Council and Parliament reached a [provisional agreement](#) on the proposal on 26 November 2019. The agreement makes it obligatory for all relevant public authorities to accept digital information on certified platforms when made available by stakeholders in the industry. Moreover, different IT systems and solutions used for the exchange of freight transport information will become interoperable. However, if a company wishes to present information in paper format, it will still be able to do so.

The Council adopted the text of the agreement at first reading on 7 April 2020, and the Parliament approved it at second reading on 8 July 2020. The [final act](#) was published in the Official Journal of the EU on 31 July 2020 and it entered into force on 20 August. With the exception of a couple of articles, the regulation will apply from 21 August 2024.

EP SUPPORTING ANALYSIS

Remáč M., [Electronic documents for freight transport](#), implementation appraisal, EPRS, European Parliament, May 2018.

Tuominen M., [Acceptance of electronic freight transport information](#), initial appraisal of a Commission impact assessment, EPRS, European Parliament, January 2019.

OTHER SOURCES

[Electronic freight transport information](#), European Parliament, Legislative Observatory (OEIL).

ENDNOTES

- ¹ A tonne-kilometre is a unit of measurement: 1 tonne transported a distance of 1 km.
- ² The United Nations [Convention on the Contract for the International Carriage of Goods by Road](#) is a document that standardises the conditions governing contracts for the international carriage of goods by road. It requires its parties to prepare a consignment note (which proves the contract of carriage). An additional protocol to this convention regulates the conditions under which this consignment note can be presented electronically.
- ³ For instance, in Germany use is made of multiple technical systems, created for specific authorities (such as customs). Although the data in these systems is partly the same, the transfer formats for data and data channels are different (see Commission's [impact assessment](#), page 26).
- ⁴ This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'EP supporting analysis'.

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