



# Electronic Bills of Lading Points to Consider Relative to Fuel Tax Administration (2020)

## INTRODUCTION

As an action from the January 2020 FTA Uniformity meeting in Myrtle Beach, South Carolina, a subcommittee was formed to create a white-paper analysis on the advantages and disadvantages of electronic bills of lading.

## BACKGROUND

This white paper is a companion white paper to the Shipping Documents – Points to Consider Relative to Fuel Tax Administration (September 2012)<sup>1</sup>, offering a second solution to the original problem statement:

*“Problem: One of the biggest problems with shipping documents is that shipping document formats vary by industry and by terminal operator. When printing several copies of the bill of lading, the print becomes illegible. The format of some documents does not clearly identify the physical address of the terminal, refinery and/or bulk plant. The bill of lading number may not be legible or may be confused with other numbers on the document because it is not required to be uniform. The name of the supplier may or may not be on the shipping document.*

*Solution: A standardized shipping document with a uniform format that designated a specified area for: the name and address of the location where the fuel was loaded; the unique document number; the supplier’s name; the date product was loaded; identification of product; gallons loaded (net and gross). Any other information required by the domiciled state or the Federal government could be placed on the shipping document in an area according to each terminal’s specification.*

*Much of the information on a bill of lading is already transmitted electronically to the suppliers. This format must already be standardized. The idea solution would be to transfer that information to a standardized hardcopy which is printed for the transporter.”*

## SOLUTION NUMBER TWO: ADVANTAGES AND DISADVANTAGES OF ELECTRONIC BILLS OF LADING:

Electronic bills of lading must digitize the core functions of a paper bill of lading; namely its legal acceptance as a receipt, as evidence of or containing the contract of carriage and a document of title. For an industry-wide adoption, which is needed to pave the way for parties to use such a system, industry accepted best practices need to be understood. A digital solution to replicate and automate the bill of lading process based on 21<sup>st</sup> century technology is needed.<sup>2</sup>

<sup>1</sup> FTA Motor Fuel Tax Section Uniformity Guide – White Paper Documents

<sup>2</sup> Kuester, Florian. “Electronic Bill of Lading – How is Paperless Trade Possible?” *Combined Transport Magazine* (February 2017)



<b>Advantages</b>	<b>Disadvantages</b>
<b>Speed and accuracy (striving to collect most accurate information)</b>	Cost to implement
<b>Customer service improvement</b>	Mandated vs elective requirement (border state and international considerations)
<b>Time and money</b>	Non-standardized BOL criteria
<b>Automate invoicing process</b>	Unknown legislative consideration / Impact at the federal and state levels
<b>Blockchain</b>	

<b>Other considerations</b>
<b>Diversions</b>
<b>Security</b>
<b>Retention requirements</b>