Newsletter Issue 4 / 30 January 2015

ROAD

GERMANY SUSPENDS MINIMUM WAGES FOR TRANSIT

This morning Andrea Nahles, German Minister for employment, announced in a press conference, after negotiations with the Polish Minister of Labour and Social Policy that the minimum wage law is suspended **in relation to transit** until the European Commission has clarified the legality of it.
A PRESS RELEASE was also issued. Two members of the college of European commissioners – Marianne Thyssen (employment, social affairs, skills and labour mobility) and Violeta Bulc (transport) – travelled to Berlin on 26th January for a two-day official visit, and said they would "make use of the opportunity to discuss this topic".

In the meantime there will be no controls or sanctions. The minimum wages will however continue to apply to cabotage and to international transport to and from Germany.

The Commission has initiated a pre-infringement procedure (EU Pilot) with a deadline of 21st February for German authorities to answer. Then the Commission will seek do a legal review of the compatibility of the German minimum wage with European law. Germany wants to give the EU the possibility and time to analyse and discuss with Germany the legality of the German law. As a result there will be no controls of the German minimum wage. Penalties will not be inititiated and existing penalties will not be enforced, but instead will be stopped. This also means that notifications of operation schedules do not have to be transmitted to the customs offices and operators do not have to keep a record of their employees work time in Germany. The German Ministry has noted that this interim solution will last until the compatibility with European law has been resolved and that they remain convinced that the law should also cover transit procedures.

COMMISSIONER CALLS FOR STANDARDISED ROAD PRICING IN MEMBER STATES

European Union Transport Commissioner Violeta Bulc called for the introduction of a standardised European-wide road pricing system in comments she made to a German Sunday newspaper. The Commissioner said there were many different systems in Europe at the moment and this was a burden on car drivers and an obstacle to their mobility.

Germany plans to introduce a controversial road toll in 2016 aimed at foreign drivers using Germany's Autobahn motorways. German drivers would also pay the toll, but would be compensated with a reduction in existing automobile taxes. The government and the EU are embroiled in a dispute about whether this is compatible with EU law. Mrs Bulc told *Welt am Sonntag* it would make sense, in the medium term, to work on a European system for lorries and cars that could regulate road charges in a uniform manner for all EU countries. "The amount of the fee should, in my opinion, be exclusively based on the number of kilometres actually driven and

should not be time-dependent," she was quoted as saying. "It doesn't matter where you come from - everyone will only pay for the distance they have actually driven and it will be billed on a device throughout Europe. We're currently investigating just such an idea."
Bulc did not say whether all EU states would be required to introduce a car toll related to distance travelled. "There are many options - a fee could be obligatory but it's also possible to make it optional i.e. that countries decide themselves whether and on which roads they want to levy a road use charge based on kilometres driven."

Source: EURACTIV 26/01/2015

CLECAT attends European Commission Land Transport Security Expert Group

On 20 January, CLECAT attended the sixth meeting of the European Commission Land Transport Security Expert Group, which was devoted to the topic of supply chain security. Presentations were given by the Commission and by industry concerning a range of supply chain security issues in road and rail.

The Commission gave a presentation on the state of play and outstanding issues regarding secure lorry parking. Attention is currently focused on information regarding safe and secure parking, where the 2013 regulation sets harmonised standards for the provision of information by Member States via a web platform hosted by the Commission, although not all Member States have been respecting these standards. The Commission's plans for regulation on reservation services for safe and secure parking are on hold, as there is little need for such services, although the Commission is examining whether such systems would be required later. Furthermore, funding is currently available under the Connecting Europe Facility call for works and studies aimed at improving safe and secure parking.

Gerwin Zomer of TNO gave a presentation outlining the CORE project, in which CLECAT is a partner. Issues being covered by CORE of particular relevance to land transport security include the place of hinterland transport in trusted trade lanes and visibility of end-to-end chains. The demonstration projects within CORE which deal especially with land transport security include the demonstrator on a Secure and Efficient Port-Hinterland Containerised Supply Chain in Spain, and the demonstrator covering DHL's global supply chain for Airbus aircraft parts and product integrity within P&G's supply chain due to changing temperatures.

EOS gave a presentation on cybersecurity risks in land transport, with container terminals and rail signalling identified as particularly vulnerable to hackers wishing to hide illicit or dangerous materials, or to divert/steal goods. Mitigation and greater cyber-resilience can be achieved through harmonised standards/legislation, improved information sharing, developing crisis communications channels, and a risk management culture in suppliers.

AIR

Warnings over accounting risk of all-in rates for forwarders

While major forwarders, and CLECAT, have broadly welcomed a move, by two airlines so far, to all-in rates, one executive has warned that different pricing systems could become complicated. "If every carrier charges in a different way, it's going to be difficult for forwarders and their accounting systems," said the air cargo veteran. "Some carriers will struggle to put this into place," he added.

"An airline like Emirates is sophisticated enough to handle it, and ensure the air cargo contribution is right. But many others won't be able to – it'll be a big accounting mess for forwarders."

Larger forwarders generally seem to back the move. In an interview with Airline Cargo Management to be published next month, Tim Scharwath, head of air logistics for Kuehne + Nagel, said: "My personal view is that it's right to get away from surcharges to an all-in rate."

Smaller forwarders have been more cautious, saying that they want to see how it works first; some have expressed cynicism over the airlines' move to drop surcharges just as the fuel price has fallen dramatically, while others have complained that FSCs have not fallen as fast as the fuel price.

But one airline executive pointed out that, while the fuel price may have fallen, currency costs in many cases have risen. "There is no currency surcharge, but the euro has gone down against the dollar," he noted. "An all-in rate makes sense – but it depends on the calculations."

Several airlines are said to be considering following the move to drop surcharges started by Emirates and followed by Qatar, which claimed it had been considering the change for some time.

The change has been welcomed by the European Shippers' Council, the British and Canadian international freight forwarders' associations (BIFA and CIFFA), FIATA, French association TLF Overseas and CLECAT.

Source: THE LOADSTAR

MARITIME

PUBLIC CONSULTATION ON A MID TERM REVIEW OF THE EU MARITIME TRANSPORT STRATEGY

The European Commission has opened a PUBLIC CONSULTATION on the mid-term review of its 2009-2018 MARITIME TRANSPORT STRATEGY. The consultation aims to identify the key developments and challenges for the maritime sector as well as specific needs to be addressed with a view to enhance the competitiveness and growth of the EU shipping industry.

In particular, the consultation seeks views on how the EU may improve its policies with regard to promotion of a global level-playing field in maritime transport, liberalisation of the global shipping market, sustainable shipping, maritime security, promotion of short-sea shipping, improving port systems, and increasing the efficiency of maritime transport.

The consultation is open until 22 April. It will feed into the Commission's assessment of how its 2009 strategy may be revised and help identify which specific policy actions may be required in the next few years. The CLECAT secretariat is considering the appropriate response to the questionnaire for agreement at the next Maritime Institute meeting in March.

GREEN COASTAL SHIPPING IN NORWAY

A declaration of cooperation has been signed by key players in the Norwegian shipping industry to ensure that the country develops the most environmentally friendly coastal vessel fleet with an emphasis on LNG. DNV GL said that Norway already has a leading position in this field and is at a good starting point to more broadly implement new technologies in LNG and battery power. To further this end, it has launched a new initiative called the Green Coastal Shipping programme.

This year, the UN Climate Change Conference in Paris is to negotiate a new climate agreement that will entail new obligations and the implementation of new climate measures including environmentally friendly fuels and new energy-efficient ship designs. So working together as an industry to create green solutions will become even more fundamental. The Green Coastal Shipping programme has been developed to help implement the government's new maritime strategy and will be a joint effort by several industries, ministries and state departments. It is hoped that it will be a driver for innovation and green workplaces and provide major export opportunities for the maritime, energy and supplier industries.
Source: Ship to Norway, 20/01/2015

TEN-T: EU to support better sea connections across the Dover Strait

The EU's TEN-T Programme will back with over €14 million the improvement of the sea connection between Dover in The UK and Calais in France. The developments include better traffic management, berth enhancements and a new rail freight connection between Calais and southern France. The project will focus on innovative solutions to adapt and enhance the current transport infrastructure and improve the traffic management across the Strait of Dover. The project's activities include:

- The construction of a secure holding facility for 220 freight vehicles in the port of Dover and optimisation of the traffic management to reduce the congestion in the port and its hinterland
- Berth enhancements in Dover and Calais for a safer, faster, more reliable and robust welcome of larger ferries to reduce their stay in port
- The construction of a multimodal platform leading to better links between the UK, the Benelux countries and northern Spain
- The action will have a positive impact by encouraging modal shift and reducing the carbon footprint of transport; as well as decreasing road congestion and the negative environmental impact.

The project was selected for EU funding with the assistance of external experts under the TEN-T Multi-Annual Call 2013, priority 'Motorways of the Sea'. Its implementation will be monitored by INEA, the European Commission's Innovation and Networks Executive Agency. The project is to be completed by the end of 2015.

Source: European Commission

RAIL

French Competition Authority also expresses concern on rail reform

The French Competition Authority expresses its concern about the effectiveness of the independence of the operator of the rail transport network, now integrated into the public group that also included public operator faced with competition.

Not enough importance is given by the rail reform to neutral and transparent access to the rail infrastructure, concludes the French Competition Authority.

The document of the French Competition Authority is available here

TEN-T: EU TO SUPPORT RAIL IMPROVEMENTS IN AUSTRIA

The EU's TEN-T Programme will co-finance with over €6 million studies preparing the construction of a new two-track rail line between Linz and Wels and between Salzburg and Steindorf/Straβwalchen in Austria, to increase the capacity of the existing line and improve the efficiency of traffic flows.
The new line between Linz and Wels will also integrate Linz airport, to promote 'greener' alternatives to road transport and to improve the travel conditions for both passengers and freight carriers. The actions are part of a larger project aiming to enable the continuous four-track operation of train services for the connection Salzburg – Vienna. The works which have been partially completed will improve the efficiency of the line for transiting cargo and high-speed passenger trains. The studies are based on operational simulations showing that an additional two-track line is urgently needed in these rail sections to meet the capacity shortages. They will prepare the Environmental Impact Assessments necessary for the construction phase. The project was selected for EU funding with the assistance of external experts under the TEN-T Multiannual Call 2013, priority projects. Its implementation will be monitored by INEA, the European Commission's Innovation and Networks Executive Agency.
The project is to be completed by the end of 2015.

Source: DG Mobility and Transport Newsletter, 26/01/2015

CUSTOMS

EUROPEAN COMMISSION PROPOSED AMENDMENTS TO ENS FILING NEED CLARIFICATION

In a strong PRESS RELEASE the World Shipping Council commented this week on the ongoing discussions with regards to the UCC and in particular on the ENS. It notes that 'the Commission is looking for a short-cut way to obtain the identity of the "buyer" and "seller" of the imported goods before vessel loading. Instead of getting it from the importer, like the U.S. does, the Commission's proposed regulation would require that this information be provided to the carrier/NVOCC – or in the alternative, to the "consignee" – to be filed in an ENS as a condition of vessel loading. Based on our understanding and experience with shippers, WSC has consistently advised the Commission that "buyer" and "seller" data may be business confidential information, and that it is not appropriate to require its disclosure to ocean carriers/NVOCCs or to these parties' consignees, who may not be parties to the goods' sales contract.

If this regulation is implemented as proposed, exporters to the EU should recognize that they will be required to provide the identity of the buyers of their goods to their carrier or NVOCC (or to their "consignees") prior to vessel loading, so that this information could be provided by the carrier or NVOCC in its required advance ENS filing. WSC has been joined by the European Shippers Council, the European freight forwarders' association (CLECAT) and the European Community Shipowners Association (ECSA) in opposing the Commission's proposal to require the identity of the buyer and seller of goods being imported into the EU to be a part of a carrier's ENS filing.' (Source: WCO press release 26/1/2015)

CLECAT also regrets that the Commission however sticks to its position: buyer/seller is indispensable for proper security risk analysis and if neither the carrier nor the forwarder can provide it, it must be obtained from the consignee. For the Commission importer filing is not an option. They argue that at the time the ENS must be lodged, the importer cannot be traced. The lowest level consignee can be traced – it can be drawn from the bills of lading – but the importer cannot.

The Commission regulations for the implementation of the UCC are scheduled to be adopted in May so that they, in principle, can take effect as of May 1, 2016.

STATEMENT DG ZOUREK OF DG TAXUD AT WORLD CUSTOMS DAY

Heinz Zourek, Director General of DG TAXUD and Vice-Chair of the Europe Region of the WCO, made a statement in the context of the International Customs Day on 26 January 2015. This was also the launch of the Coordinated Border Management Year(CBM).

Mr Zourek insists on the fact that partnerships between different border agencies and stakeholders are essential for facilitating the flow of legitimate trade. He called on the Members of the European Region of the WCO to "*respond positively and in a timely manner to the call of the Secretary General* [of the WCO] *for sharing information on their CBM vision, and their efforts to harmonize, streamline and simplify border management systems*".

Mr Zourek's statement is available HERE.

GENERAL

CLECAT ATTENDS CORE WORK PROGRAMME MEETINGS

CLECAT participated in a series of CORE work programme meetings in Thun, Switzerland, on 21-23 January. The meetings covered work programme 1.1, which is establishing a library of supply-chain security regulations, policies and standards to serve as a knowledge base for the project, as well as work package 19.1 which covers training and education material and services.

The work package 1.1 meeting ensured that the knowledge base for the project is as broad and comprehensive as possible, so as to be sure that the project is acting on the most up-to-date information, particularly with regard to the needs of the practical demonstrators which are being set up as part of the project.

With regard to the training materials, the meeting identified the current activities of the project partners (as well as CLECAT, this included the WCO, the European Shippers' Council, the IRU and Interpol), as well as identifying how future training can incorporate the goals of CORE. Discussions were held on what the best format of training materials and programmes should be in order to best train students, supply chain professionals and regulatory authorities in increasing supply chain security and resilience while also improving flexibility and reducing compliance costs.

The next step for work programme 19.1 is to finalise a master plan for the development of training materials, which will then be used in developing a blueprint for future training materials, again incorporating in particular the results of the demonstration work programmes.

ALICE CONFERENCE "DESIGN FUTURE LOGISTICS"

On February 11, ALICE will organize a conference "Design Future Logistics", addressing the role of the airport in logistics for the future and what will the supply chain and the logistics of the future look like. The conference is hosted and supported by Schiphol Cargo of the Amsterdam Airport Schiphol. Keynote speakers confirmed as attending include **Ralph Keck** Chairman of Alice, **Eric Ballot** Professor Supply Chain and Logistics at University Mines Paris Tech, **Alan McKinnon** Professor at the Kühne-Logistics University, **Katrin Zeiler** DHL Customer Solutions and Innovations, and **Enno Osinga** Senior Vice President Cargo Schiphol Airport.

The programme is available here

GLOBAL TRADE: INTERNATIONAL FREIGHT TRANSPORT TO QUADRUPLE BY 2050

The International Transport Forum at the OECD has recently published "The ITF Transport Outlook" an overview of the development of global transport volumes and related CO2 emissions and health impacts through to 2050.

According to the book, international freight transport volumes will grow more than fourfold by 2050. Average transport distance across all modes will increase 12%.

- As a result, CO2 emissions from freight transport will grow by 290% by 2050. Freight will replace passenger traffic as main source of CO2 emissions from surface transport.
- The North Pacific route will surpass the North Atlantic as the world's most busy trading corridor in terms of freight volume (in tonne-km), growing 100 percentage points faster than the North Atlantic. The Indian Ocean corridor will see large growth, with freight volume quadrupling.
- Intra-African (+715%) and intra-Asian (+403%) freight volumes will see particularly strong growth to 2050. Road transport will dominate here due to lack of other modes.
- The share of domestic transport of international freight flows, identified here for the first time, accounts for 10% of trade-related international freight, but 30% of CO2 emissions. This is important: Domestic transport is shaped by national policies, less by international agreements.

"The foreseeable increase in global freight represents an unprecedented challenge for the world's transport systems", said ITF Secretary-General José Viegas, during the launch of the book at the OECD headquarters in Paris. Source: Media release ITF 27/01/2015

EP RECOMMENDATIONS TO THE COMMISSION ON TTIP NEGOTIATIONS

The Transatlantic Trade and Investment Partnership (TTIP) remains a high priority across many policy areas. A new Parliament resolution containing recommendations to the Commission is being prepared under the leadership of the International Trade (INTA) Committee. Wim van de Kamp (EPP, NL) is rapporteur on the TRAN opinion. The Rapporteur's opinion highlights the restrictions on the transatlantic transport sector still imposed by the US, especially affecting air and maritime transport. There is a lack of reciprocity in access to services, investment restrictions and public procurement. The debate attracted a lot of interest. The EU lead negotiator for services, Marco Dueerkop, explained how the Commission was pressing for transport issues to be addressed in the negotiations. However, so far, the US side did not appear to be receptive to this.

FORTHCOMING EVENTS

CLECAT MEETINGS:

Customs and Indirect Taxation Institute
- 20 February

Security Institute
- 10 March a.m, Brussels

Air Logistics Institute
- 10 March p.m.

Maritime Institute
- 11 March a.m.

Sustainable Logistics Institute
- 11 March p.m.

Road Institute/Joint meeting with FIATA
- 17 March p.m. Zurich

Rail Institute / joint meeting with FIATA
- 23-24 April Vienna

Board General Assembly
- 2 June 2015, Brussels

Freight Forwarders Forum
- 19 November 2015

OTHER EVENTS with CLECAT PARTICIPATION

Alice Conference, Schiphol Airport Amsterdam
- 11 February 2015

European Shipping Week Conference, Brussels
- 4 March 2015

ELP Lunch meeting, European Parliament
- 17 March 2015

iCargo Final Event, Transport Logistics Trade Fair, Munich
- 6 May 2015 at 12:00-17:00

ITF Summit Leipzig
- 27-29 May 2015

COUNCIL/EP meetings

EP TRAN Committee
- 23/24 February (afternoon)
- 24 February (morning and afternoon)

Council (Lithuanian Presidency)
- Transport Council, 13 March 2015
- Transport Council, 11 June 2015.

Informal meeting of heads of state and government, Brussels
- 12 February 2015

European Council Summit, Brussels
- 19-20 March 2015