CLECAT
european association for forwarding, transport, logistics and customs services

NEWSLETTER

Issue 8
19 February 2016

Table of content

News from Brussels

CLECAT WELCOMES COMMITMENTS OFFERED BY CONTAINER LINER SHIPPING COMPANIES

Transparency in shipping line prices is welcomed by CLECAT following an investigation by the European Commission. As a result of concerns about a unified approach to raising rates and charges through regular announcements of General Rate Increases (GRIs) and Rate Restorations (RRs), the Competition services of the European Commission started in 2010 an enquiry into price signalling. The shipping lines have now agreed to significantly change their pricing behaviour in the future.

Nicolette van der Jagt, Director General of CLECAT commented: 'Changing the culture of the shipping industry after three centuries of living and breathing the ways of the conference system was never going to be easy. Following the demise of the liner shipping block exemption, which was supported by CLECAT, the Commission started an investigation on the apparent similarity of many of the decisions by a number of shipping lines over rate increases, imposition of surcharges and the management of capacity.'

Freight forwarders as customers of the container carriers would expect:

- Shipping lines to determine their own individual prices, surcharges and ancillary charges based on their own costs, service standards and desired profit margins;
- Shipping lines to work with their customers on delivering the optimum trade-off between service levels, environmental performance, and price; this includes: negotiating with their customers all prices, surcharges and ancillary charges.

The commitments offered by the carriers are welcomed. Earlier this week the European Commission published a communication in the Official Journal confirming that the lines have offered commitments to the way prices are announced. The 15 container lines have agreed that they will cease to announce general rate increases and publish the actual prices available to customers on an individual basis. CLECAT may submit some comments to the Commission following the notice in the EU Official Journal giving interested parties, one month from 16 February 2016 to comment on its proposed commitments decision.

The Press release of DG COMP is available here. A summary of the proposed commitments has been published in the EU's Official Journal. The full text of the commitments will be available at the case website.

ELP EVENT ON POST COP21 – IMPACT ON TRANSPORT

European Logistics Platform

The European Logistics Platform will organise a dinner event on **Monday, 22 February 2016 at the Stanhope Hotel** on Post COP21 and the impact for EU transport and logistics policy. The event will be hosted by Member of the European Parliament Wim van de Camp.

Speakers include Rolf Diemer from DG MOVE, FTA and Sophie Punte, from the Global Logistics Emissions Council (GLEC). She will explain why GLEC is creating one universal and transparent way of calculating logistics emissions across the global multi-modal supply chain.

For more information about GLEC and its work see the recently released video animation here. In case of interest please contact the ELP Secretariat at info@europeanlogisticsplatform.eu

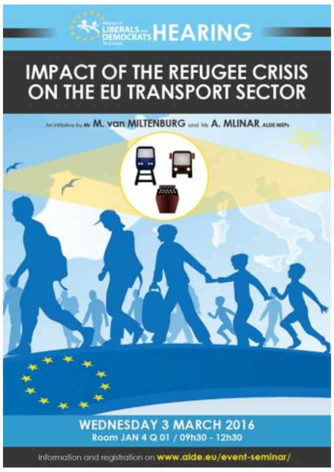
AEL LUNCH ON DIGITAL TRANSFORMATION OF SUPPLY CHAINS

On 17 February CLECAT attended a lunch held by the Alliance for European Logistics (AEL) on Digital Transformation of Supply Chains in the European Parliament. Mathieu Grosch, President of the AEL, called for a harmonised regulatory approach to the challenges presented by digitisation, so as to ensure interoperability between the 28 EU Member States.

Markus Rosemann, Vice President for Logistics at SAP, noted the need for differentiation in service provision, particularly for freight forwarders, in order to remain competitive in a digital marketplace which is being disrupted by innovative new entrants. He discussed several phenomena which will characterise the digitisation of supply chains, including new resource planning opportunities such as extensive track-and-trace, new collaboration opportunities such as the Hamburg smart port which is increasing capacity through coordination, and overall greater visibility over the supply chain.

Clemens Zielonka of the European Commission, DG Connect, outlined the Commission's forthcoming package for the digital single market, which will include initiatives on the internet of things, so as to ensure a coordinated approach to the opportunities created by digitalisation. The package will address interoperability, potential competition concerns over market dominance in some areas, standards and public-private partnerships. The package will be published on 6 April. He argued that Europe's strength can be to bring its engineering expertise to the digital world, while the US is bringing its digital expertise to physical products.

EP HEARING ON IMPACT REFUGEE CRISIS ON TRANSPORT



The ALDE group of the EP with the support of Matthijs van Miltenburg (MEP) will organise a hearing on the impact of the refugee crisis on the EU transport sector on 3 March 2016 from 09:30 – 12:30 in the European Parliament.

The current deteriorating refugee crisis shows that the lack of a comprehensive EU migration and asylum system seriously affects our European economy, especially the transport sector and networks. This event will aim at showing, beyond the human cost, the economic impact on one of the EU core sectors, transport.

The European Commission has recently issued a Communication on the "**State of Play of Implementation of the Priority Actions under the European Agenda on Migration.**"

The Communication notes that estimates suggest that reintroducing internal border controls on a systematic and long term basis could cost between up to €5 billion and up to €18 billion in overall direct costs alone. The impact would go well beyond the transport sector, affecting the volume and costs of the trade of goods and on the efficiency of the European logistics sector, with a likely increase in prices. The most likely scenario would mean €7.1 billion in extra costs, with road hauliers responsible for an extra €3.4 billion per year (where the average delay at the border is one hour) and more than €6.7 billion per year (where the average delay is two hours), affecting at least 57 million international road transport operations.

You can find the Communication here.

Road

DISRUPTION OF ROAD HAULAGE ALONG RUSSIAN BORDERS

The Ukrainian Government has temporarily blocked Russian road freight transport from entering its territory, in response to Russia's decision to ban Ukrainian cargo trucks from its borders after Ukrainian nationalists had apparently stopped Russian road haulage operators from reaching Belarus.

Relations between the two countries have been strained following Russia annexation of Crimea in 2014, with both countries imposing many restrictions in trade on the other. In this latest spat, Ukraine accuses Russia of violating the rules and procedures of the World Trade Organization and the bilateral intergovernmental agreement on international road transport. Full article available here.

The Russian transport Ministry and the Ministry of infrastructure of Poland have so far been unable to negotiate the renewal of permits for transport companies by 2016. As a result, since 1 February, the Russian trucks will not be able to enter the territory of Poland, and Polish — in Russia.

It is also reported that the term of agreements for Russian carriers has expired in Turkey due to the worsening relations between the 2 countries. It is also alleged that the Ministry of Transport of Russian Federation has already submitted a proposal for new permits to Turkey.

EP TRAN COMMITTEE DEBATES SOCIAL DUMPING IN EUROPE

During the TRAN meeting which took place on 15 February, the Rapporteur Jens Nilsson, from the EMPL Committee, presented his draft opinion on the social dumping in the EU. He emphasised the importance of monitoring and enforcing compliance with existing rules. Unattractive working conditions make it difficult for the transport sector to recruit staff. They could also have implications for safety. He favoured greater use of electronic monitoring and exchanges of information between Member States to ensure that limits on working time were respected.

He believed the roads package should address the question of cabotage while an improved definition of "home base" for air crew members was needed. Effective minimum standards were an important part of fair competition. Members broadly endorsed the call to ensure compliance with existing rules. However, the detailed proposals were contested. Some MEPs supported the Rapporteur's approach, including calling for a Road Agency to promote social standards in road transport. Others questioned the idea of a Road Agency focused on social standards and expressed concern about costs of extending tachographs to lighter goods vehicles or to micro-enterprises.

Source: TRAN Newsletter

Rail

TRAN REPORT ON 4TH RAILWAY PACKAGE TECHNICAL PILLAR

On 15 February, the TRAN Committee of the EP received the report of the Council's position at First reading on 4th Railway Package Technical Pillar, and in particular on interoperability of the rail system within the European Union; railway safety and the European Union Agency for Railways and repeal of Regulation.

The three Rapporteurs, Izaskun Bilbao Barandica, Michael Cramer and Roberts Zīle, recalled that the Council's positions were in line with the agreement that had been reached in the Trilogue on 17 June 2015. This agreement would avoid the need for equipment manufacturers or rail operators to duplicate regulatory applications. It would also contribute to ensuring consistency within the European Rail Traffic Management System. The technical pillar should therefore reduce costs, increase transparency and contribute to the creation of a single European rail area.

Members supported the Rapporteurs' recommendations to approve the Council's positions without amendment. However, some regretted the length of the transitional periods and the Council's reluctance to go further in strengthening the Agency's role. Others noted that the political pillar needed to be concluded before the single rail area would make real progress.

Source: TRAN Newsletter

Maritime

HIGH LEVEL MEETING SHORT SEA SHIPPING

CLECAT participated on Monday this week to the high level meeting organised by the Dutch Presidency of the Council yesterday in Amsterdam. The intention of the day was to review policy to revitalise the EU's short sea policy.

Short sea shipping is currently facing a host of legislative and administrative issues that curtail its effectiveness, limit its popularity and restrict its role in today's EU transport system. Intra-EU shipping is still unjustifiably disadvantaged when compared to the road or rail sector, which move goods and people with minimal administrative burden.

The European Commission has over the years formulated strategies and proposed legislation with the intention of fostering the short sea sector. Disappointingly though, some efforts have fallen short of stated objectives and the industry's expectations. Case in point: the absence of a true Single Market for shipping, which disproportionally affects short sea operators. The European Commission had in 2010 proposed legislation to rationalise and streamline the administrative formalities for ships calling at EU ports by moving to a paperless environment. The adopted legislation however lacked ambition and led to the creation of separate and often incompatible so-called National Single Windows (data entry points) instead of a harmonised EU Single Window.

Commenting on this issue during the conference, Deputy Director-General DG Move, European Commission, Fotis Karamitsos said: "The EU Single Window is within reach. The technology is already available, it is now only a matter of political will. The shipping industry should continue its campaign for a more workable solution."

EC CONSULTATION ON IMPROVING DOUBLE TAXATION DISPUTE

On 16 February 2016, the European Commission launched a public consultation in order to gather the views of all interested parties on how the current double taxation dispute resolution mechanisms operate and can be improved. The consultation is part of the work on implementing the June 2015 Action Plan for a Fair and efficient Corporate tax system in the European Union.

The general objective of this initiative is to create a more attractive investment and business environment and to achieve greater legal certainty. The Commission is seeking stakeholders' opinion mainly on:

- the relevance of removing double taxation for enterprises operating cross border;
- the impact and effectiveness of the above-mentioned double taxation dispute resolution mechanisms for business and enterprises established in the European Union,
- how these mechanisms can be improved, and, the solutions which are discussed.

The consultation runs from the 16th of February to the 10th of May 2016. A document related to the objectives of the consultation can be found here. Contributions can be submitted here.

Sustainable logistics

ACEA EVENT ON REDUCING CO2 TOGETHER

On 16 February, CLECAT attended ACEA's Commercial Vehicles Event, dedicated to Reducing CO2 Together. The event was part of ACEA's initiative to create a broad coalition of manufacturers, users and infrastructure to reduce CO_2 emissions from commercial vehicles, in which CLECAT has been participating in meetings.

Martin Lundstedt, CEO of Volvo, noted that the margins in road transport are often so small that any reduction in fuel consumption will bring immediate benefits. He further pointed to the report commissioned by ACEA from Transport Mobility Leuven as part of the initiative which states that operational improvements can make a 16% contribution to an overall emissions reduction of 20% by 2020.

Marjolijn Sonnema, Deputy Director General of Mobility at the Dutch Infrastructure and Environment Ministry presented the views of the current Dutch Presidency of the EU Council. Green and Smart Mobility will be the subject of an informal meeting of transport and environment ministers in Amsterdam on 14-15 April. Ms Sonnema discussed initiatives under way in the Netherlands, including testing of automated vehicles and platooning initiatives. She called for an integrated approach between industry, government and research bodies in the EU to ensure interoperability for smart mobility solutions, which will be the subject of a declaration planned to be adopted by ministers at the April meeting.

Wim van de Camp MEP likewise called for an integrated approach, saying that the road sector should not be punished but rather improved through driver training, the European Modular System, harmonisation of subsidies and taxation and development of alternative fuels. He also called for greater cooperation between the EU and US, including through the TTIP negotiations, in order to avoid losing market position to China, India and Turkey. He called on the industry to communicate more clearly on these issues as they do not currently receive much attention in the European Parliament.

In the panel discussion, Christophe Nicodème of the European Road Federation called for greater investment in road infrastructure, as without good infrastructure the full benefits of zero-emission vehicles cannot be realised. Arthur Runge-Metzer, Director at the European Commission DG Climate Action, agreed with an integrated approach as it will allow the costs of action to be brought down more rapidly. John Cooper of FuelsEurope called for an EU technology programme for transport with a long-term vision, potentially funded by carbon pricing. Michael Nielsen of the IRU agreed with the need for a long-term vision so as to ensure investment certainty.

In a floor statement, Nicolette van der Jagt, CLECAT Director General, supported the integrated approach and called on the road sector to collaborate more with other transport modes.

General

IRELAND AND ITALY JOIN PILOT PROJECT ON VAT CROSS BORDER RULINGS

On 16 February 2016, the European Commission announced that Ireland and Italy decided to join the EU Pilot project on VAT Cross Border Ruling, bringing the total number of participating Member States to 18 (Belgium, Denmark, Ireland, Estonia, Spain, France, Italy, Cyprus, Latvia, Lithuania, Hungary, Malta, Netherlands, Portugal, Slovenia, Finland, Sweden, United Kingdom).

This project was set up to allow taxable persons to obtain advance rulings on the VAT treatment of complex cross-border transactions. Taxable persons planning cross-border transactions between two or more of the participating Member States can ask for such a ruling with regard to the VAT treatment of the transactions they envisage.

The project has started in June 2013 and is now scheduled to continue till 30 September 2018.

More information available here.

NEW PRESIDENT TLF OVERSEAS

During the Board of Directors meeting, of January 21st 2016, Herbert de Saint Simon was elected, unanimously, President of TLF OVERSEAS for a duration of three years. Patrick Legal, his predecessor, made a commitment to accompany him during the next months as honorary president and as Administrator of TLF OVERSEAS.

Forthcoming events

CLECAT MEETINGS

Air Logistics Institute
2 March 2016, Brussels

Supply Chain Security Institute
2 March 2016, Brussels

Road Workshop on Market access
3 March 2016, Brussels

Sustainable Logistics Institute
3 March 2016, Brussels

Customs and Indirect Taxation Institute
4 March 2016, Brussels

Board/General Assembly
22 June 2016, Rotterdam

Rail logistics institute
22 June 2016, Rotterdam

OTHER EVENTS WITH CLECAT PARTICIPATION

DTLF Plenary meeting
16 March & 20 September

ELP Dinner, POST COP21
22 February, Brussels

EP Working Group on Cross-border Cooperation
25 February, Brussels

Impact of the refugee crisis on the EU transport sector
3 March, Brussels

SITL – CLECAT/TLF/ESC workshop Global Supply Chain Day
22 March, Paris

FIATA headquarters meeting
17-20 March, Zurich

Road Freight Conference
19 April, Brussels

ITF 2016 Summit on Green and Inclusive Transport
18-20 May Leipzig, Germany

Conference on the rail freight corridors, NL Presidency
21 June Rotterdam, Netherlands

EP/COUNCIL MEETINGS

European Parliament
Transport and Tourism Committee
14/15 March, Brussels

Plenary Session
- **1/4 February, Strasbourg**
- **24/25 February, Brussels**

Council of the European Union
Transport, Telecommunications and Energy Council
- **3 March, Brussels**
- **15 March, Brussels**

Contact
Nicolette van der Jagt
Director General CLECAT

Rue du Commerce 77, B-1040 Brussels, Belgium
Tel +32 2 503 4705 / **Fax** +32 2 503 47 52
E-mail nicolettevdjagt@clecat.org / info@clecat.org
@CLECAT_EU

CLECAT
european association for forwarding, transport, logistics and customs services