Newsletter Issue 11 / 20 March 2015

NEWS FROM BRUSSELS

DIGITALIZATION OF LOGISTICS SECTOR ENTAILS POSITIVE EFFECTS FOR EUROPEAN ECONOMY

At the seventh event of the European Logistics Platform (ELP), 40 EU policymakers and industry stakeholders came together to discuss the impact of the digitalization of transport on the European economy. The event was hosted by Wim van de Camp MEP, rapporteur of the INI report on the White Paper on Transport, who underlined the importance of seizing the opportunities of the digitalization of the transport sector: “Digitalization remains the most important aspect when it comes to innovation in the field of freight transport. The cost of a lack of interoperability in multimodal transport in Europe is as large as €12 billion per year. If Europe wants to remain competitive, we have thus to ensure that we as policy makers provide the right framework conditions that will stimulate the digitalization of the transport sector.”

The event discussed different stakeholder perspectives with regard to the challenges and opportunities of digitalization. Monika Heiming, Executive Director of EIM, gave an insight into the digital enablement of rail infrastructure management. For the air freight sector, Kee Kras (AEA) emphasized the huge opportunities electronic information management illustrating the initiatives already taken on eFreight in the aviation sector. Keir Fitch, Head of Unit, Research in the DG MOVE gave a presentation on how the European Commission supports innovation in transport and logistics through the ‘Mobility for Growth’ call of the Horizon 2020 research agenda. He emphasised the challenges of the European transport sector and how innovation can support industrial leadership and the competitiveness of the European industry.

In conclusion, Alexander Kirschall, Chairman of the European Logistics Platform said: “Europe needs to foster solutions based on state-of-the-art information and communication technologies, particularly in the field of the efficiency and service level in logistics chains. At the same time, the development of interoperable intelligent transport systems (ITS) has to be pursued to enable synchro-modal transport. Better connections and the deployment of innovative ICT across all transport modes will lead to a more sustainable, efficient and future-oriented transport system of the EU.”

PRESENTATION OF WORKING DOCUMENT ON WHITE PAPER ON TRANSPORT

MEP Wim van de Camp presented on Tuesday morning his Working Document on the implementation of the 2011 White Paper on Transport to the TRAN Committee of the European Parliament. The working document was presented in the context of the TRAN own-initiative report on the implementation of the 2011 White Paper on Transport. This aims to express Parliament’s opinion and priorities in view of the Commission's midterm review of the White Paper planned for later this year.

The Rapporteur set out some of the main challenges that needed to be tackled, in particular:
- Shifting the balance between modes of transport and ensuring co-modality;
- Developing, maintaining and upgrading transport infrastructure in Europe;
- Maintaining the competitiveness of the EU transport industry;
- Putting innovation in the service of transport users;
- Moving towards a decarbonised transport system.

The presentation was followed by a lively debate with interventions on the following issues:
- Decarbonisation of transport and reduced greenhouse gas emissions;
- Health and environmental aspects of transport;
- Working conditions and social dumping;
- Internalisation of external costs;
- Application of the 'user pays' and 'polluter pays' principles;
- Congestion;
- Under capacity of transport infrastructure safety;
- Passenger rights.

There was general agreement that the report should focus on the specific actions needed to achieve the objectives of the White Paper.
Source: TRAN Newsletter, March 2015

HEARING ON THE WHITE PAPER ON TRANSPORT IN EUROPEAN PARLIAMENT

Wim van de Camp MEP organised a TRAN Committee Hearing on the White Paper on Transport on Tuesday afternoon, 17th March. The hearing, held in the context of the own initiative report on the implementation of the 2011 White Paper on Transport, gathered experts and stakeholders from different areas and transport modes in three panels transport and economic growth, sustainable mobility and transport for citizens.

Mathieu Grosch, European Coordinator and former Rapporteur on the White Paper on Transport, gave a keynote speech on the implementation of the White Paper. He noted that transport demand will continue to rise, which needs to be seen in the context of CO_2 emissions. This requires a better modal split, which is more environmentally friendly, ensuring fair competition between modes through internalisation of external costs.

Regarding the transport market, Mr Grosch noted that the EU institutions wanted to link market opening to improving quality, for instance with the port services proposal. He added that it will be essential to improve multi- and co-modality in logistics, which will require an effective debate on the internalisation of external costs for co-modality. Mr Grosch further called for more consistent implementation and enforcement, such as of the Single European Sky's Functional Airspace Blocks, and for clearer explanation to citizens of their benefits.

Rolf Diemer, Head of Unit for Economic Analysis and Impact Assessment, European Commission DG MOVE, presented the state of the Commission's work on the Mid-Term Review, where they have not yet decided whether the review will be in the form of a stock-taking strategy document or specific legal proposals. A report assessing the state of implementation of the White Paper is expected by the end of the year, and depending on the Commission's assessments a fuller political initiative may follow at the beginning of 2016. The Commission further noted that the Mid-Term Review is not the only current Commission initiative dealing with the EU's strategic transport goals, noting that the Energy Union strategy and digital single market agenda are also highly relevant.

ROAD

JOINT CLECAT/FIATA ROAD GROUPS MEET AT FIATA PREMISES

The joint FIATA/CLECAT Working Group Road met on Tuesday this in Glattburgg, Switzerland. The meeting which was attended by delegates from over 16 countries discussed a range road issues and included a presentation from the IRU on the situation of the TIR-system. Among the topics discussed were the recently introduced German minimum wage law, the EKAER regulation in Hungary and Belgian and French regulations regarding drivers' week-end rest time. Nicolette van der Jagt, DG of CLECAT, gave an update on the expected Road Package from the EC and ongoing consultation on the implementation of Regulation 1071/2009 -1072/2009. The next meeting will be held in Varna, Bulgaria.

CONFLICT OVER GERMANY'S MINIMUM WAGE PLANS

Following the drama over proposed road tolls last year, Germany is once again causing controversy in the transport sector. On March 11, fourteen transport companies from Austria, Poland and Hungary filed a legal complaint with the German Federal Constitutional Court over Germany's minimum wage law which came into force in January.

The move is the latest chapter in a long-running argument at home and abroad over the minimum wage issue in Germany. Its introduction was a campaign promise by the Christian Social Union (CSU), the Bavarian sister party of Chancellor Angela Merkel's Christian Democratic Union (CDU), in advance of federal elections in September 2013. But opponents include transport firms – notably from Eastern European states where wages are significantly lower – faced with paying drivers passing through Germany the local minimum hourly rate of €8.50.

In February, the European Court of Justice (ECJ) ruled that employers that send workers to another European Union Member State must comply with the rules in force there. The European Commission, facing complaints that such a stipulation is incompatible with EU legislation (although Germany is the 22nd EU country to introduce a minimum hourly rate), launched an investigation in January. Initially the Commission ruled that the provision was "in line with the social policy commitment of the Commission", but lawyers are studying the case and a verdict may emerge this summer.

In the meantime, the German government has temporarily suspended the application of the law to European transport companies with cargoes in transit – although it still applies to those foreign drivers operating within the country or loading and unloading their trucks in Germany. The minimum wage law is the second transport issue within a year involving a clash between Germany and its neighbours. German proposals to introduce road tolls for foreigners on German roads have already led to complaints both inside and outside the country. Germany's governing coalition partners, the CDU and the Social Democrat Party (SPD), are to debate the implementation of the minimum wage law on 23rd April. A spokesperson for the Ministry of Labour and Social Affairs said it has been engaged in an "ongoing dialogue" with industry representatives, social partners and associations to ensure that the law is "implemented effectively".

The issue has also sparked debates in the European Parliament. MEPs on the Employment and Social Affairs Committee are concerned that the law will inhibit the EU objective of removing barriers in the internal market and facilitating the free movement of goods. Gesine Meißner, a German liberal MEP and member of the Parliament's Transport and Tourism Committee, said the law was an "anti-European approach". Roberts Zile, a Latvian MEP and member of the European Conservatives and Reformists Group, said the German rules "destroy the European single market in the transport sector", adding that the law "creates better opportunities for German companies" while leading to "fragmentation of the market and a loss of efficiency and competition with global players".

Transport unions in the Netherlands, Germany's main freight trading partner, are complaining about the additional bureaucracy involved. Drivers are required to produce pay-slips if asked by German authorities to prove that they are being paid the minimum wage, with firms facing a €30,000 fine in case of a breach of the rules. The Netherlands has asked the Commission to rule on whether border checks are permissible.
Source: European Voice, 19/03/ 2015

MARITIME

TRAN Vice-Chair calls for action on short-sea shipping

In an interview with EurActiv, Vice-Chair of the European Parliament Transport Committee Dominique Riquet MEP (Liberal, France), has called for greater EU action to develop the "motorways of the sea".

Mr Riquet calls for action on several fronts, including improving port infrastructure, and the connections between ports and other transport networks (river, rail and road), with projects like the Marco Polo programme. It is also important to develop training in the maritime transport industry and reinforce safety standards across the EU. He adds that the Marco Polo programme can be improved by offering shipping companies support to invest in the necessary vessels for short-sea transport. Mr Riquet argues in the interview that funding can be provided for port infrastructure through President Juncker's European Fund for Strategic Investment, and from the European Interconnection Mechanism (EIM) for up to 20% of the total cost of motorways of the sea projects. One example is the extension of the Port of Calais, which could benefit from public subsidies from the EIM and the Juncker plan.

The full interview is available at EurActiv

Commissioner Bulc at the annual EBU event

On March 3, Commissioner Bulc met with the inland navigation sector during the European Barge Union's (EBU) event in Brussels. In her keynote speech she emphasised the important role inland navigation plays in the overall transport system to contribute to the European policy aims. To fully materialise its benefits she called for a better integration of the modes and to focus on the innovation and sustainability agenda. She invited EBU to tell her the sector's needs in order to support it in its innovation roadmap and adaptation of the fleet.

EBU's President Didier Leandri emphasised that despite the difficult economic situation the sector is committed to move forwards in terms of innovation. At the event it was demonstrated that even in times of economic difficulty the sector is characterised by innovative entrepreneurship where in the past year again a number of LNG driven vessels have been built and are meanwhile sailing on European rivers. In order to boost these innovative sustainable concepts and their broad deployment in the sector he therefore called for sufficient financial funding, both for research and development and the broad deployment of innovative solutions, for which sufficient dedicated funding must be made available in the actual discussion and preparation of the work programs under H2020 and CEF.

Stressing that infrastructure remains the "conditio sine qua non" for the development of inland waterway transport he criticised the decreasing investment in infrastructure in Europe."
In this respect he announced that France and Belgium have applied on 26th February for a 40% funding of the Seine Escaut Project under the current call 2014-2020. Focusing on the future development he provided MEP Van de Camp, who is reviewing the Transport White Paper, with some concrete input. Demonstrated by some best practises he emphasised that modal shift to sustainable inland waterway transport not only in the traditional and long distance areas is interesting, but a huge modal shift potential also lies with alternative cargo and passenger flows also on short distances.

Source: EBU, 9/03/2015

GENOA PORT TO GROW WITH EU SUPPORT

The EU's TEN-T Programme will back with almost €2.4m studies preparing the development of the Port of Genoa in Italy and the construction of a new breakwater near the port. The project will support a larger plan on the port's integration in the European core transport network. The preparatory studies will cover infrastructural, logistic and economic analysis, as well as the strategic environmental assessment for the port's development.

Part of the project will be dedicated to studies for a preliminary design of the Sampierdarena port basin's new breakwater, allowing the new generation of mega-ships (18,000-22,000 TEUs) to enter the port. It will also separate the flows of large commercial ships from the other maritime traffics.
The project contributes to a larger development plan aiming to increase the capacity, efficiency, safety and interoperability of the Port of Genoa. The studies' outcomes will serve as a basis for the Port's Master Plan and construction of the new breakwater. The project was selected for EU funding with the assistance of external experts under the TEN-T Annual Call 2013, priority 'Maritime transport'. Its implementation will be monitored by INEA, the European Commission's Innovation and Networks Executive Agency. The project is to be completed by 31st December 2015.
Source: INEA, 18/03/2015

AIR

EUROPEAN COMMISSION CONSULTATION ON EU AVIATION COMPETITIVENESS

The European Commission has opened a PUBLIC CONSULTATION on improving the competitiveness of the EU Aviation sector. The consultation seeks views on which measures could be taken to address

European aviation's competitiveness on an international level, challenges for European air carriers in competing with non-EU airlines, issues with regard to air transport agreements between the EU and third countries, global liberalisation of the aviation market, and improving the sustainability of aviation. Improvement of airport services and issues concerning aviation security are also addressed by the questionnaire.

The consultation is open until 10 June and will feed into the Commission's plans for an Aviation Strategy which is expected in late 2015.

Commission to review competition from Gulf-based airlines

Transport Commissioner Violeta Bulc said she will seek a new mandate from EU countries to reopen talks with Persian Gulf states over 'unfair' subsidies to airlines following a request from France and Germany at the 13 March Transport Council meeting. Qatar, Saudi Arabia, and United Arab Emirates airlines have received €39 billion in state aid from their governments since 2004, according to a study compiled for the big three US airlines: American, Delta, and United.

According to the study, Gulf airlines received interest-free loans, free land, and low airport charges, among others. This has allowed them to quickly expand their fleets and routes while "distorting the commercial aviation market place and diverting global traffic to their hubs".

"European airlines are losing market share against the Gulf companies, because of their unfair competitive practices, and in particular because of the significant public subsidies and guarantees they enjoy," the French and German ministers said in a joint statement after the meeting. Paris and Berlin called on the European Commission to end such practices by adopting a common strategy on controlling foreign airlines' operations with traffic rights in the EU. The Netherlands, Belgium, Sweden and Austria supported the initiative, the two ministers said. But clinching a deal with not be easy, warned Violeta Bulc, the EU's Transport Commissioner. Previous negotiations with the Gulf countries under the former Transport Commissioner Siim Kallas have failed, Bulc said in a debate with the EU's 28 transport ministers at the meeting. The Commission will now seek a new mandate from EU governments to curb market-distorting state aid to airlines, not only from Persian Gulf states, but also from countries like China, Brazil, and Turkey, Bulc said.

"We have a good internal aviation market in the EU, but we are losing the share on intercontinental flights. We need to address how to be competitive in other markets, and social dumping is part of it," stated Anrijs Matiss, the Latvian Minister for Transport, whose country currently holds the EU's rotating Presidency.

EU countries also asked for additional instruments, such as the EU law against subsidies and unfair pricing practices distorting the air transport sector, to be revised in order to avoid unfair competition in the future.

Any future legislative proposal will be presented in the second half of the year. Further discussions on the EU's transport sector's competitiveness and upcoming initiatives will take place at a joint conference organised by the European Commission and the European Parliament in June, Bulc said.
Source: EurActiv

CUSTOMS

GENERALISED SYSTEM OF PREFERENCES

The European Commission adopted Implementing Regulation (EU) 2015/428 amending Regulation (EEC) No 2454/93 and Regulation (EU) No 1063/2010 as regards the rules of origin relating to the scheme of generalised tariff preferences and preferential tariff measures for certain countries or territories.

Source: OFFICIAL JOURNAL OF THE EUROPEAN UNION, 14/03/2015

GENERAL

REGISTRATION NOW OPEN FOR 2015 SUMMIT ON "TRANSPORT, TRADE AND TOURISM"

ITF has announced that invitations have been issued to representatives in government and business, research and civil society for the International Transport Forum's 2015 Summit on 27-29 May. More than 1000 key players from the transport, trade and tourism sectors are expected to join transport ministers from ITF's 54 member countries for their Annual Summit in Leipzig, Germany.

Early registration discounts for the Summit are available until Friday, 10 April.

CLECAT and FIATA are jointly organising a side event on the 29th May at the ITF on '**Logistics connectivity: The key facilitator of global trade'**. For more info see the WEBSITE.

GLOBAL SHIPPERS' ALLIANCE FORMED

The European Shippers' Council (ESC), The Asian Shippers' Association (ASA) and the American Association of Exporters and Importers (AAEI) have signed a memorandum of understanding underlining their cooperation in the field of air freight, maritime transport and trade facilitation. By joining forces, they formed the Global Shippers' Alliance, to represent shippers' interests worldwide.

GSA intends to engage in constructive dialogue with national governments, supranational bodies, NGO's, transport organizations and organizations of logistic service providers and strive for better cooperation so international trade can thrive, economies can grow and society can benefit. Subjects that are important to shippers are, amongst others, fair pricing of transport including surcharges in maritime and air transport, proper competition, security and customs regulations, standardization to facilitate data exchange, terminal handling charges and service levels in international transport.

American Shipper wrote that 'the new Global Shippers' Alliance could be seen as a rival to the Global Shippers Forum, which was formed in 2006 and to which the National Industrial Transportation League, the largest shippers' group in the U.S. belongs. The Global Shippers' Forum was created in 2006 as a successor to the informal Tripartite Shippers' Group'.

EP OPINION ON TTIP

At the TRAN Committee meeting of the European Parliament, Rapporteur Wim van de Camp, MEP, presented some considerations of amendments to the Commission on the Transatlantic Trade and Investment Partnership (TTIP). Under the leadership of the International Trade Committee, the TTIP is currently an intensely debated subject in Parliament. A resolution containing recommendations to the Commission will be voted in the May Plenary, and TRAN is among 14 committees preparing an opinion. The main issued discussed related to a wide variety of substantial questions around TTIP, including its very purpose and legitimacy. There was also debate as to which issues should be raised in the TRAN opinion, and which left to other Committees or to the main INTA Report (e.g. Investor-State Dispute Settlement, social and labour standards).

Source: TRAN Newsletter, March 2015

EP DEBATES EUROPEAN FUND FOR STRATEGIC INVESTMENTS (EFSI)

On March 16, during the TRAN Committee meeting, Rapporteurs Inés Ayala Sender and Dominique Riquet presented a draft opinion on the European Fund for Strategic Investments (EFSI) and amending budget.

The aim of the EFSI is to boost private investment in Europe which has dropped by about 15% as a result of the economic and financial crisis. In order to establish the EFSI, the Commission proposed a €16 billion guarantee to be created under the EU budget. Half should be provided from existing EU funds: €3.3 billion from the Connecting Europe Facility (€2.7 billion of which should be taken from the transport sector) and €2.7 billion from Horizon 2020.

The Plan is based on three mutually reinforcing strands. First, the mobilisation of at least €315 billion in additional public and private investment over the next three years. Second, targeted initiatives to make sure that this extra investment meets the needs of the real economy. And third, measures to provide greater regulatory predictability and to remove barriers to investment.

The Rapporteurs supported the proposal, but do not accept cuts in the CEF and therefore suggested amendments to:

- Find additional sources of financial support for the EFSI without touching the financing of existing programmes,
- Ensure the European Parliament's involvement in selecting the projects,
- Ensure that the same strictness is applied in the selection criteria for the EFSI projects as is the case for the CEF.

The draft opinion was generally welcomed by the Committee. Members agreed that the budgets of the CEF and Horizon 2020 should not be affected by this Regulation. They also raised the following issues: whether the EFSI is a temporary or a permanent tool; the members of the selection committee; doubts on the leveraging effect of the EFSI; Member States' contributions; and the involvement of local authorities.

Source: TRAN Newsletter, March 2015

iCargo pilots to be Showcased in Munich

CLECAT encourages its members to participate at iCargo's Final Event at the German Transport Logistics Trade Fair in Munich (see AGENDA) on the 6th May.

The results of the pilots will be presented. These pilots deploy various components of the iCargo ecosystem as well as external tools.

- **Pilot 1: Sea-City-Air-Rail door-to-door service (SCAR)**

The SCAR pilot in Bologna focuses on a new service for urban distribution that promotes the efficiency and optimisation of the booking, planning and execution phases of city logistics in a collaborative environment. The goals are to enhance the door-to-door service by means of innovative low CO2 logistic solutions, increase the level of integration among backend transport logistic systems, and improve service and status information availability for a synchronized, dynamic and efficient transport planning and door-to-door delivery.

- **Pilot 2: Green Corridor**

The Green Corridor Pilot is focused on the movement of forest products from Stora Enso mills in Sweden to Zeebrugge and further inland. It takes advantage of an Open Planning and Booking System that allows time, cost and carbon use comparisons of a single journey carried out by different routes and allows dynamic re-planning of transportation based on real-time execution data. Booked shipments are tracked via data integration with involved LSPs, and associated carbon emissions are recorded and reported. The goals are to integrate true, green motorways of the sea with competitive hinterland co-modal offerings improving the environmental profile by increasing the utilisation of vessels, and by making the overall logistics solution easily accessible to Freight Service Integrators and Logistic Service Clients.

- **Pilot 3: LSP-Shipper coordination**

The M3 demo (Mix Move Match) by DHL implements order/consignment reconstruction (both dedicated for a Client and, where agreed, consolidation across multiple Clients). Both DHL and Unilever are aiming for real-time monitoring of emissions in road transport, using the iCargo CO2 calculator. DHL's goal is to increase the load factor and synchronizing activities for transport and warehousing. Both companies aim to provide a competitive supply chain solution with the ability to report carbon footprint and to support supply chain planning decisions. Based on more than 10.000 deliveries, the DHL pilot shows >99% receipt and delivery confirmation while before only exceptions were reported. On-time delivery is improved by +7%.
Source: iCargo Newsletter March 2015

CLECAT/TLF Seminar in Paris ' How to Ensure Security and Customs Compliance'

CLECAT, TLF and ESC are organising a Seminar entitled "Global Supply Chains in Air and Sea Freight: how to ensure Security and Customs Compliance?" at the SITL on April 2 in Paris.

The programme will consist of three main panels:

- Global Supply Chain: understanding and adapting to dramatic change 2015/2020
- New models: the submission of advance safety and security declarations

- Innovate and collaborate to win competitiveness and security: the CORE Project example

Confirmed speakers include Lothar Moehle, Director Air Security Standardization, DB Schenker, Damian Viccars, World Shipping Council, David Hesketh, Senior Business Officer, HM Revenue & Customs, Jean François Auzéau, Directeur Douane/Customs Manager, Ziegler Group, Marc Huybrechts, President CLECAT and others.

The CORE projects seeks to enhance supply chain security and safeguarding other societal challenges related to global trade and logistics in a way that also maximizes the speed and reliability of fulfilling global trade transactions and minimize associated compliance costs. Control agencies should think in supply chain dynamics and act accordingly by applying corresponding supervision models. This means other ways to intervene, respecting the impact it has on supply chain reliability or landed cost implications. This concept will be demonstrated by David Hesketh from UK customs.

FORTHCOMING EVENTS

CLECAT MEETINGS:

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

Board / General Assembly
- 2 June 2015, Brussels

Air Logistics Institute
- 13 October 2015 (morning), Brussels

Supply Chain Security Institute
- 13 October 2015 (afternoon), Brussels

Road Logistics Institute
- 14 October 2015 (morning), Brussels

Sustainable Logistics Institute
- 14 October 2015 (afternoon), Brussels

Maritime Logistics Institute
- 18 November 2015, Brussels

Freight Forwarders Forum
- 19 November 2015

OTHER EVENTS with CLECAT PARTICIPATION

FIATA Headquarters, Zurich
- 18-21 March

ECG Conference and dinner
- 24 March 2015

ERFA Conference and dinner
- 24 March 2015

GLEC Multi Modal Action Group Meeting, Schiphol Airport
- 31 March 2015

CLECAT/TLF/ESC Seminar - How to ensure Security and Customs Compliance, SITL, Paris
- 2 April 2015

ITS Conference 2015: A Digital Strategy for Mobility: from capacity to connectivity, Brussels
- 24 April 2015

40th Plenary Meeting of the Trade Contact Group

- 24 April 2015

iCargo Final Event, Transport Logistics Trade Fair, Munich

- 6 May 2015 at 12:00-17:00

ITF Summit Leipzig

- 27-29 May 2015

EP TRAN Committee

- 26 March 2015 (morning)
  Agenda is available HERE
- 13 April 2015 (afternoon)
- 14 April 2015 (morning and afternoon)

Council (Lithuanian Presidency)

- Transport Council, 11 June 2015.