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

NEWSLETTER

Issue 15
15 April 2016

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News from Brussels

2016 ROAD TRANSPORT CONFERENCE

On 19 April CLECAT will participate at the 2016 Road Transport Conference organized by the European Commission in Bruxelles to discuss the planned Road Initiatives as announced in the 2016 Commission Work Program.

The conference will be opened by Ms Violeta Bulc, European Commissioner for Transport, together with Mr Michael Cramer, Chair of the Transport and Tourism Committee of the European Parliament and the Dutch EU-Presidency. Conclusions will be drawn by Mr Henrik Hololei, Director-General of Directorate-General for Mobility and Transport.

Key topics for the EU Road Transport's agenda will be the following:

- Workshop 1: Internal Market and Social aspects of road transport;

- Workshop 2: Road Charging – price signals and interoperability of electronic tolling systems.

CLECAT Director General Nicolette van der Jagt will participate as one of the panellists presenting and discussing the main findings of the workshops.

The Full programme of the conference available here.

ITF SIDE EVENT: BUSINESS AND GOVERNMENT FOR SMARTER FREIGHT

Registration is now open for the ITF Side Event organised by CLECAT, FIATA, ESC, IRU and Smart Freight Centre (SFC) which will take place on the 20th of May 2016 in Leipzig (Germany). The side event will explore opportunities for business and governments to work towards 'smarter freight'. The programme is available here.

The private sector must do the heavy lifting in realizing low carbon, efficient and competitive freight ("smart freight"). However, governments must help to overcome market and policy barriers to accelerate the uptake of solutions and innovation.

Program details are available at: http://2016.itf-oecd.org/business-and-government-smarter-freight

LAND TRANSPORT SECURITY EXPERT GROUP MEETING

On 11 April CLECAT attended the 12th meeting of the European Commission Land Transport Security Expert Group. The meeting discussed a number of issues relating to cargo security, including a briefing from Microsoft on their actions to deal with cybersecurity, in particular malware which can be used to mask the true contents of shipments in order to smuggle contraband or explosives. The Commission is preparing a roadmap on Land Transport Cybersecurity, to identify any gaps in current national and European guidance, and will shortly issue a request for written comments from stakeholders.

Presentations were given by CER and the IRU on the costs to the rail and road sectors respectively of the ongoing migration crisis in Europe. The IRU identified a total annual cost of €5 billion to road haulage, resulting from waiting times, detours, additional security measures, penalties for carrying clandestine migrants, damage to goods, use of alternative modes, higher insurance premiums, and contract penalties from customers.

Regarding secure parking, the Commission gave a presentation on the options for funding available under the TEN-T calls, as well as the Juncker Plan for strategic investments. Other smart solutions are also being examined to resolve congestion, and thus the risk of cargo thieves or clandestine migrants benefitting from stationary vehicles, such as booking slots for border crossings so that vehicles arrive and are processed at their allocated time.

Road

FRENCH MINIMUM WAGE FOR FOREIGN DRIVERS – NEW LAW

French authorities have published new guidance for the road transport sector, implementing the so called 'Loi Macron.' The guidelines regulate activities of notably foreign road transport companies when doing transport operations in France. The law – which was published in the Official Journal on the 9th April - states that as of 1 July 2016 foreign-based drivers must receive the French minimum wage and foreign operators must designate a representative in France. The new law introduces the concept of chain responsibility. The receiver of the service but also all other parties part of the contract are responsible for the correct implementation.

The European Commission's investigation in the German MiLoG case is still ongoing. The European Commission is also considering to introduce sector specific guidelines or law on the posting of workers in international road transport. CLECAT has informed members on some of the details of the new law, but is waiting for more detailed practical information on the new provisions from the French ministry of Transport.

The minimum wage in France is € 9,67 gross/hour. In addition to this the social conditions with regards to minimum number of holidays, min and work working/rest times, safety, security provisions will need to be applied. On 1 January 2015, Germany introduced a general minimum gross salary of €8.50 per hour.

EU TRANSPORT MINISTERS SIGN DECLARATION OF AMSTERDAM

At the informal meeting of EU transport and environment ministers in Amsterdam on 14 April, Ministers signed the Declaration of Amsterdam on automated and connected vehicles. The declaration sets out the necessary actions from EU Member States, the European Commission, and industry to achieve a common European framework for automated and connected driving by 2019.
Actions include removal of national legal barriers to the testing and deployment of automated and connected vehicles, continued dialogue between Member States, a European strategy and appropriate regulatory framework, a coordinated European approach to research and innovation, and industry participation in standardisation efforts and identification of areas where public policy can remove barriers to new technologies.

The full declaration may be found here.

FIRST CROSS-BORDER TRUCK PLATOONING TRIAL SUCCESFUL

As part of the world's first cross-border initiative with smart trucks, six 'platoons' of semi-automated trucks have completed their journeys from various European cities, reaching their final destination of the Port of Rotterdam on 6th April. These trucks were participating in the European Truck Platooning Challenge, organised by the Netherlands as part of its EU Presidency. The trials saw vehicles travel across Sweden, Denmark, Germany, Belgium & the Netherlands.

Truck platooning – which has the potential to make transport cleaner, safer and more efficient – is the linking of two or three trucks in a convoy. These vehicles closely follow each other at a set, close distance by using connectivity technology and automated driving support systems.

Melanie Schulz, the Dutch Minister for Infrastructure and the Environment who spearheaded this initiative, said: “The results of this first ever major try-out in Europe are promising. The hands-on experience gained here will be very useful in the informal European Transport Council in Amsterdam. It will certainly help my colleagues and I discuss the adjustments needed to make self-driving transport a reality.” There are still a number of barriers standing in the way of the roll-out of truck platooning across Europe. These barriers are not of a technical nature as platooning technology exists already; rather they are caused by differences in legislation between EU Member States.

It is also crucial that sufficient demand will be there to ensure the right level of market uptake. Following the Truck Platooning Challenge, there have been some encouraging expressions of interest from the business community and the transport sector, including Unilever and major Dutch supermarkets.

The testing phase is the most important next step. More and more national governments are offering industry the opportunity to test their latest vehicles and technologies, thereby also supporting efforts to increase public awareness, understanding and acceptance. However, this is also vital on a pan-European scale.

Rail

ESC CALLS FOR MORE MARKET FOCUS IN RAIL FREIGHT CORRIDORS

The European Shippers' Council calls for a market-oriented approach on Rail Freight Corridors (RFC). In order to attract shippers to a competitive rail, RFC should meet market expectations following some parameters of crucial importance to shippers such as responsiveness to planning requests, flexibility, transit times, reliability, tracking ability, price-competitiveness.

Corridors would benefit from a greater market focus and involvement of end-users, including shippers, when strategic decisions are made. Shippers and other users could for instance be consulted at a more strategic level on an annual basis. Such consultation should focus on the direction taken by the corridors in terms of new products developed by infrastructure managers, on performance of the corridors and potential solutions to help increase this performance, and on areas where new facilities and/or more capacity would be needed.

While most shippers will realistically not be able to engage more frequently in corridors discussions, there should be sufficient flexibility to allow those willing to be more closely involved to do so – be they shippers or shippers’ representatives. Those willing and able to do so should also be invited to take part in discussions at corridor level – through the setup of additional advisory boards for end users for instance – on top of the more strategic annual meeting with all stakeholders.

Full final ESC position paper on Rail Freight Corridors and Regulation EU 913/2010 available here.

AIR FREIGHT DIGITALISATION 'POISED TO ACCELERATE'

Air freight digitalisation is set to accelerate as many airlines approach e-AWB critical mass thanks to the participation of multinational forwarders and increasingly independents, according to Worldwide Information Network (WIN) managing director John DeBenedette, who believes costs or penalties for handling paper will increasingly be applied.

In an article published today in Lloyd's Loading List, DeBenedette says these are among a number of factors that appeared set to accelerate adoption, noting also that market sluggishness typically drives forwarders to seek out new efficiencies. "Many airlines are approaching critical mass of electronic Air Waybill (e-AWB) on the strength of participation not only by multinational players, but now, increasingly independents; therefore we may see costs or penalties increase for handling paper," he said. And he believes the trend for handlers to create 'fast lanes' for tendering cargo with electronic data available in advance could also prove to be a major driver, especially in markets facing infrastructure-bound congestion.

"I am optimistic that in the age of so many technology-driven market disruptions, independents that are more nimble, but sometimes slow to jump in, are recognizing that their future depends on adopting the readily-available advanced solutions that larger firms struggle to embrace due to their legacy systems," he said.

But huge challenges still remain, he said, noting that many air cargo operators "are still imprisoned by legacy technology providers entrenched in 40-year-old innovations, unable to break free of the shackles". He continued: "Imagine the insanity of a world in which, on the one hand they can watch a video from anywhere on the planet on their cell phone for free using the internet over lunch, but back at their desks they are trying to figure out if they can even pass an ampersand in the name of a shipper in a short text file representing an AWB their companies must pay a dollar to transmit to a partner across the airport property.

But he observed a growing trend of cloud-based logistics software providers who are moving well beyond the arcane challenges of e-AWB and connecting the origin and destination logistics partners seamlessly using simple API-based web-services that leverage free and ubiquitous internet communications. "It is only a matter of time until this silly business in the middle with airline messaging is behind us," DeBenedette said.

Source: [Lloyd's Loading List]

FREIGHT CONTINUES TO SUFFER HEADWINDS

The International Air Transport Association (IATA) released data for global air freight markets showing air cargo suffered a 5.6% fall in February compared to February 2015. This is heavily skewed due to the impact of the US port strikes in early 2015 (which caused a spike in air freight) and Lunar New Year falling in February this year. Comparing January and February 2016 performance to January and February 2014 reveals 6.3% volume in growth—equal to a 3.1% annualized growth trend.

"The air freight business remains a difficult one. February's performance continues a weak trend. And there are few factors on the horizon that would see this change substantially. In the absence of an imminent resurgence of demand, the importance of improving the value proposition with modernized processes—the e-freight vision—remains a top priority," said Tony Tyler, IATA's Director General and CEO.

The full IATA analysis is available here.

NY COURT RULES ON AIR CARGO ANTITRUST CASE

A New York court has ruled that shippers are not entitled to any funds paid out by airlines to forwarders in the long-running air cargo antitrust case. The reason is because freight forwarders acted as more than agents.

Shippers such as DuPont and Sears had argued that, as buyers of air cargo services using freight forwarders only as brokers, they were entitled to settlements offered by a group of airlines accused of breaking antitrust legislation. However, the court ruled that as indirect purchasers of air freight capacity they had no claim, and that freight forwarders had provided services other than brokerage. The shippers claimed freight forwarders had not provided any service other than buying capacity, and had acted only as agents on their behalf. But when asked how they used freight forwarders, the shippers said they used them only for "special shipments", when "something is late and has to be got there in the nick of time".

The court's ruling noted: "That freight forwarders offered a service that the [airlines] do not; ie a faster service … undermines the [shippers'] argument that freight forwarders are merely agents and not an intermediate link in the chain of distribution."

The full article is available here.

Maritime

CLECAT SETS OUT CALL FOR ACTION ON CONTAINER WEIGHING

CLECAT has published an article in Lloyd's Loading List, calling for action to clarify how forwarders may transmit to carriers the information on the weight of a container which they have received from shippers, in order to comply with the SOLAS Container Weighing amendment which enters into force on 1 July. The article calls for transparent, coordinated action by carriers and national authorities with regard to this issue, as well as the level of tolerance which will be accepted by national authorities.

The full article is available here.

20% OF COUNTRIES LACKING AUTHORITY TO OVERSEE VGM

A new survey of ship agents and brokers has discovered that nearly 20% of countries signed up to IMO international maritime conventions have report to say which national authority will oversee implementation of the new container weight regulations.

A survey conducted by the Federation of National Agents and Ship Brokers Association (FONASBA) of its members across more than 50 countries, found that in 10, the identity of designated authority had yet to be revealed, despite there being just three months before the new rules come into force. In addition, in almost half the countries, "no guidance has been issued on the practical application of the measures in the country concerned".

Just 25% of respondents said implementation plans were in place, while 31% said there were no plans and 44% said they remained under development.

FONASBA's president designate and liner and port agency committee chairman, John Foord, said: "It is staggering that, with such a short time left before the amendments take effect, a significant number of countries had so far failed to take action at national level to ensure that the required measures would be in place on time. "The SOLAS amendment has been under development in IMO for four years, so it is worrying that at this late stage ship agents, forwarders and shippers in many countries still lack appropriate measures to comply.

"As a supporter of the accurate verification of container weights since its initial proposal, FONASBA's members have been proactive in working with their national authorities and the container transport chain to ensure the measures are in place in good time, and it is frustrating that so little progress has been made in some member states," he said.

There was better news in that almost all the weighbridges in countries covered in the survey were already certified by authorities, but there is still concern over the number of weighbridges and their capacity to handle current trade flows. The survey said: "Where these [weighbridges] exist however, many are reported as being out of service or in need of overhaul. Another common comment is that there are not enough weighbridges available to meet the anticipated demand after implementation."

A significant variance in container weighing fees was also reported, with a number of respondents advising that no charge will be levied, while elsewhere fees range from $3/€3.50 to as much as $225/€200, some of which includes haulage and other additional costs.

Source: The Loadstar

HAPAG-LLOYD SETS MINIMUM FREIGHT ALL KINDS RATES

Hapag-Lloyd is to abandon general rate increases (GRIs) and next month will set minimum FAK [freight all kinds] rates for containers on its vessels from Asia to North Europe and the Mediterranean.

However, a spokesman for the line said that the move was an internal decision to change the way that it quotes rates to customers, rather than an official reaction to an EC probe into the way carriers publically quote rate levels.

Hapag-Lloyd told customers that from 1 May its westbound FAK rates would be $925 per 20ft, $1,750 per 40ft and $1,850 per 40ft high-cube.

According to Drewry Maritime Research, ocean carriers cancelled 66 voyages on the major east-west routes in February alone; a desperate attempt to prop up freight rates and support planned GRIs.

With European regulators considering banning the GRI mechanism, Hapag-Lloyd has clearly decided to set out its stall on base rates. Despite shipper concerns that the mechanism allows carriers to "signal" pricing, rates have done little over the past couple of years except swing between wild extremes.

Indeed, after two weeks of modest container spot rate gains from Asia to North Europe it was business as usual today, with the North Europe component of the Shanghai Containerized Freight Index (SCFI) shedding 14% of its value, taking the rate back down to $291 per teu.

According to advice to compliance experts, whereas the GRI mechanism indicates the amount by which the rate would increase, under the new guidance carriers must now only specify the maximum final price, including all the important surcharges, such as terminal handling, bunkers, peak season, etc. instead of quoting the amount by which the rate increases, carriers must now specify the maximum final price – as a sum or broken up.

However, while carriers are still allowed to quote lower rates, they cannot quote above the maximum, all-inclusive, final price published for a specific trade.

The European Commission began seeking feedback on the new regulations after it published its guidance on 16 February and told compliance departments in liner companies that this would take a month.

Full article available here.

Customs

UPDATED AEO GUIDELINES NOW AVAILABLE

On the 8th of April, the European Commission published the Updated Authorised Economic Operator guidelines on its website.

The AEO Guidelines, updated to keep in consideration the experience gained so far, ensure harmonised implementation of the AEO rules throughout the EU, guaranteeing the equal treatment of economic operators and transparency of the rules.

The EU established its AEO concept based on the internationally recognised standards, creating a legal basis for it in 2008 through the 'security amendments' to the "Community Customs Code" (CCC) and its implementing provisions. The programme, which aims to enhance international supply chain security and to facilitate legitimate trade, is open to all supply chain actors. It covers economic operators authorised for customs simplification

(AEOC), security and safety (AEOS) or a combination of the two. The AEO Guidelines are a compilation of both the guidelines and three annexes: the Self-Assessment Questionnaire (SaQ) and its explanatory note, the list of possible risks, threats and solutions and a template of Security declaration.

The updated AEO Guidelines are available here.

EC PRESENTS MEASURES TO MODERNISE VAT IN THE EU

The European Commission presented last week an Action Plan setting out ways to modernise the current EU VAT system.

According to the Commission, the current VAT rules urgently need to be updated so they can better support the Single Market, facilitate cross-border trade and keep pace with today's digital and mobile economy.

The Action Plan sets out a pathway to modernise the current EU VAT rules, including:

- A future definitive EU VAT system for cross-border trade;
- Measures to tackle VAT fraud;

- Grant Member States greater flexibility in choosing their own rates policy;
- Support for e-commerce and SMEs.

The Commission will ask the European Parliament and the Council, supported by the European Economic and Social Committee, to provide clear political guidance on the options put forward in this Action Plan and to confirm their support for the reforms set out in this Communication.

The Commission will present proposals on all issues in 2016 and 2017.

The Action Plan is available here. A Q&A document on the initiative is available here.

UCC E-LEARNING PROGRAMME

The European Commission (DG TAXUD) has published some new courses on the UCC eLearning Programme on its website. These new courses are part of the eLearning Programme level 2, providing fundamental knowledge and describing the procedures for each specific customs domain as defined by the UCC. The courses recently published are about customs procedures and customs declarations (course 1), customs valuation (course 6), special procedures other than transit (course 10), and customs decisions (course 13).

The UCC EU eLearning programme is developed by DG TAXUD in collaboration with a pool of customs experts from national authorities and the private sector in order to support the implementation of the Union Customs Code (UCC) and its Delegated Act (DA) and Implementing Act (IA), entering into force on 1 May 2016. The programme is addressed to both customs officers and economic operators in the European Union.

The programme is available for free (download + courses).

More information on the UCC eLearning Programme are available here.

Sustainable logistics

GLEC MULTIMODAL ACTION GROUP MEETS IN AMSTERDAM

On 13 April CLECAT attended a meeting of the Global Logistics Emissions Council Multimodal Action Group at Schiphol. The meeting agreed on the first version of the GLEC Framework, which sets out a methodology for calculating CO2 emissions from logistics across modes, so as to enable comparison and effective decision making based on emissions data. The Framework is to be officially launched later this year, and CLECAT encourages its members, and their members, to make use of the Framework in calculating their emissions performance.

The meeting also discussed issues including emissions data for inland waterway transport, and assignment of emissions to freight when being carried on passenger coaches, and agreed that both merit further examination in the next version of the GLEC Framework.

More information on GLEC is available HERE.

ADOPTION OF TRAN OPINION ON SOCIAL DUMPING IN THE EU

The Transport Committee of the European Parliament has adopted the draft opinion of Jens Nilsson (S&D, SE) on 'Social Dumping in the EU' (own initiative report). The opinion highlights the need for Member States to implement all relevant social legislation covering the transport sector whilst respecting fair competition and free movement.

It notes that there is no clear definition of social dumping in transport and that this term is sometimes misused to introduce protectionist measures. It recommends combatting illegal activities, letter box companies and unfair business practices to ensure social protection. It also calls for increased controls on work and rest times, improved control devices and smart tachographs.

The Commission is asked to revise the Combined Transport Directive and to consider the creation of a European Road Transport Agency to ensure proper implementation of EU legislation and promote standardisation and cooperation between Member States. In addition, the Opinion stresses the social dimension of the recent Commission Aviation Strategy for Europe. It calls, in particular, for an improvement in the Regulation on common rules for the operation of air services to ensure binding application of national labour legislation for airlines with European operational bases.

In the maritime sector, the Commission is asked to: ensure full implementation of social legislation, including the 2006 Maritime Labour Convention; encourage ships to have the flag of a Member State; and promote the recruitment and retention of skilled European-based seafarers.

The Opinion will go to Plenary for adoption in May or June.

THE FUTURE OF FREIGHT SURVEY

According to recently published Report and survey 'the Future of Freight', senior logistics decision makers remain confident about the role freight forwarding and logistics providers will play over the next five years despite multiple challenges including margin erosion, a competitive threat from emerging technology-driven market entrants, and changing demands from customers. Around 12% of the 90 respondents believe that the current role of freight forwarders will be hurt by an increase in carrier-shipper direct sales. This latter concern is linked to the entry of players who are not traditional logistics service providers, as well as to an expanded online sales role taken by carriers.

While forwarders currently manage most air cargo freight movements, ocean carriers have traditionally sold the majority of their capacity directly to shippers. But many believe the rise of online sales may enable both air and ocean carriers to significantly increase direct to shipper sales.

The survey found that senior decision makers are confident that eroding margins are controllable. When asked to select the three most practical methods for forwarders to combat yield dilution, a resounding 86% chose technology. After technology, 63% said that new service offerings will help forwarders navigate the future.

The only other popular preferred option for combating margin erosion was through growth, either by organic growth or through mergers and acquisitions (M&As). Interestingly, while the focus in 2015 was very much on M&As, only 50% of senior freight professionals see it as the ideal way to improve their industry position, the report noted.

Access to the survey available here.

Full article available here.

Forthcoming events

CLECAT MEETINGS

Maritime Logistics Institute
18 May, Brussels

Customs and Indirect Taxation Institute
10 June 2016, London

Board/General Assembly
22 June 2016, Rotterdam

Rail logistics institute
22 June 2016, Rotterdam

Road Logistics Institute
20 October, Berlin

Sustainable Logistics Institute
20 October, Berlin

Supply Chain Security Institute
21 October, Berlin

Air Logistics Institute
21 October, Berlin

OTHER EVENTS WITH CLECAT PARTICIPATION

EC High Level Road Freight Conference
19 April, Brussels

Port Finance International
20-21 April Antwerp, Netherlands

2016 Better Enforcement for Road Freight Transport
26 April, Brussels

European Rail Summit
10 May, Brussels

Contact Group UIC /FIATA Meeting
12-13 May, Shenzhen, China

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

ELP event on the impact of migration on transport
1 June, Brussels

ESPO Conference
2-3 June, Dublin

TEN-T Days and Dutch Presidency Conference
22-23 June, Rotterdam, Netherlands

UIC Rail Freight Conference
22-23 June Rotterdam, Netherlands

EP/COUNCIL MEETINGS

European Parliament
Transport and Tourism Committee
25/26 April, Brussels
23/24 May, Brussels

Council of the European Union
Transport, Telecommunications and Energy Council
6 June 2015

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