CLECAT

european association for forwarding, transport, logistics and customs services

NEWSLETTER

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News from Brussels

"AFTER THE DREAM – PREPARING FOR THE UCC REALITY"

On April 27, CLECAT President Steve Parker spoke at the seminar "After the Dream – preparing for the UCC reality" held in the WCO, Brussels. In his speech Steve Parker highlighted the impact of the UCC on the freight forwarding industry and outlined some remaining wishes for the Commission to address in the future.

He praised the Commission services and the team of Mr Kermode in particular in the significant achievement of getting the legislation agreed and published before the deadline of May 1st 2016.

In welcoming the improved focus on trade facilitation in the UCC and the push toward full electronic customs, he noted that a number of key issues were missing. In particular he highlighted the lack of clarity on the proof of union status and the need for a concerted effort to ensure the ambitious IT deadlines were met in a coherent and coordinated fashion. For the next stage of the implementation and development of the UCC, CLECAT looks for increased practical benefits for AEO, the greater use of self-assessment and for centralised clearance to become a reality.

The meeting closed with the Director of DG TAXUD Philip Kermode, in acknowledging that while the UCC was not perfect, it was nevertheless a step forward and he committed to even greater consultation and partnership with the trade community in the future.

RAIL

GREEN LIGHT FOR THE 4TH RAILWAY PACKAGE

The Council of the EU issued a press statement yesterday entitled: '*More attractive and efficient rail services - member states approve new rules on railway market opening and governance'* following the green light it gave to Informal agreement concluded by the Presidency with the European Parliament on 19 April.

The agreement covers three legislative proposals: a revised regulation governing public service contracts, a revised directive on a single European railway area and a regulation repealing the regulation on the normalisation of railway undertakings' accounts. A trilogue agreement on the "technical" pillar was already approved in the EP transport and Tourism Committee in March 2016.

The revised rules will open up domestic rail passenger markets in the member states. Railway companies will have **non-discriminatory access to the network across the EU** provided that public service contracts are not compromised. In order to make sure that all train companies have equal access to tracks, the new rules strengthen the **independence and impartiality of infrastructure managers**. These are bodies that run the network and allocate train paths. Measures will be taken to increase their **financial transparency** and **avoid conflicts of interest**. This is especially important in cases where the infrastructure manager and a railway company are part of the same structure, such as a holding company.

Infrastructure managers must comply with the new requirements from **1 January 2019**. Member states must ensure that train companies have non-discriminatory access to the network in time to be able to launch new commercial services on **14 December 2020**.

The text will now undergo some further procedural steps in order to be published in the EU Official Journal in the coming months.

CER Executive Director Libor Lochman welcomed the agreement: "This legislation represents the major contribution to rail transport policy that we've seen in years: once in force, the EU domestic and international markets will be truly open, and competition between operators and business models will truly be possible".

A different position in this matter is taken by ERFA that expressed its disappointment at the limited progress in achieving a competitive, sustainable and growth-orientated rail sector. ERFA believes that the result is far removed from the European Commission's initial ambition for reforming rail, and that the results of the agreement on the 4th Railway Package can be considered as a 'missed opportunity'.

CLECAT is pleased that there is finally a result but had equally hoped for a text which was closer to the Commission's proposal. It is now time to move on and to work on further initiative in support of rail freight's performance and quality.

RAIL FREIGHT CORRIDORS - HOW TO GET MORE OUT OF THEM

UIRR presented in a press release and position paper yesterday outlining their views on the rail freight corridors (RFC's). UIRR believes that the Rail Freight Corridor concept can continue to work well to ensure a continuously improving quality for cross-border rail freight services in Europe. Several improvements may be implemented to further enhance the way these corridors operate today. The most important changes proposed by UIRR are:

- **Transparency:** (i) harmonised web-addresses and site-maps; (ii) a single European RFC news-portal to convey all news and developments in a concentrated and comparable manner; (iii) regular reporting of actual developments and changes; and (iv) adoption of harmonised KPIs to allow efficient performance monitoring and benchmarking.

- **Organisation and governance**: (i) make the RFC Managing Director position a career assignment filled from the labour market; (ii) enhance RAGs by open attendance and the inclusion of non-RU (authorised) applicants; (iii) require written RAG/TAG opinion to all major proposals on the agenda of Management and Executive boards and allow their speakers to participate as a non-voting member in Board meetings; and (iv) organise annual or biannual public meetings for each Corridor to enhance understanding and accountability.

The UIRR is hopeful that the Member State governments and their rail infrastructure managers, who are behind the RFCs and make up their Management and Executive Boards, will embrace the suggestions of the position papers unveiled, as most of them can be implemented on their goodwill and desire for continuous improvement. The UIRR position paper is available here.

Air

BRUSSELS AIRPORT LAUNCHES AIR CARGO BELGIUM

Air cargo shippers and forwarders can expect a greater focus on quality at Brussels Airport, as well as enhanced Belgian government relations.

The innovative airport, whose team started the CEIV trend, has established an air cargo community organisation, Air Cargo Belgium (ACB), mirroring those at airports such as Schiphol and Frankfurt.

European airports have recently been taking a noticeably firm lead in promoting the air cargo business – and this new initiative continues that trend.

While logistics companies in Brussels are already part of various associations, such as BAFI for forwarders and ACMAB for cargo airlines, ACB gives the group better resources and an ability to work with companies across the air cargo supply chain, as well as with the government.

Source: The Loadstar

BULC BRIEFS MEPS ON ICAO EMISSIONS PROGRESS

On 27 April Transport Commissioner Violeta Bulc briefed members of the European Parliament Environment Committee on the state of negotiations at ICAO regarding a global market based measure for aviation emissions. She said that the Commission's position is that aviation is a substantial growth enabler and this should be respected, while finding solutions to compensate the sector's growth, moving towards zero environmental impact while maintaining the competitiveness of the EU and global aviation market. ICAO is therefore the right body to regulate aviation emissions, as the industry, the problem of emissions, and the solution are all global.

Ms Bulc informed MEPs that the ICAO presidency's proposal currently on the table covers an offsetting scheme, which is a good basis for negotiations but can be improved. The proposal balances the need for non-discrimination, and the urgency of addressing environmental challenges, and would treat operators equally on the same routes so as to minimise competitive distortion, said the

Commissioner. The Commission is still aiming to strengthen the proposal, particularly with regard to the goal of stabilising emissions and delivering carbon-neutral growth from 2020. The Commission also wants the measure to allow for periodic reviews so as to improve its commitments, and to build on the proposal's solid transparency provisions by including full monitoring, reporting and verification rules. Ms Bulc sees the potential in the proposal for high-quality offsets allowing for genuine emission reductions

Ms Bulc said that the draft ICAO resolution should also contain a roadmap on the remaining elements to be finalised in order to implement the measure, as not all will be agreed by the 2016 ICAO Assembly so as to be ready for 2020. She added that not all States are on board at present, and a substantial negotiating effort is needed. Ms Bulc argued that this requires the EU to be flexible and show understanding of the evolving solutions which are on the table, while defending European positions.

MEPs were broadly welcoming of the progress at ICAO, while raising concerns over the efficacy of the proposed measure compared with the EU Emissions Trading System. Some called for strict conditions to be applied to the offsetting scheme, in order to ensure the proper inclusion of aircraft emissions. Others called for recognition for the technological advances made in aeronautics over the past decade and recognition of the progress made so far by the EU and ICAO.

CLECAT DISCUSSES AVIATION STRATEGY WITH THE REGIONS

On 29 April CLECAT attended a stakeholder hearing on the EU aviation strategy, at the invitation of the Committee of the Regions. The Committee of the Regions' rapporteur sought to gather views of stakeholders on the strategy, in order to develop her opinion which will feed into the strategy's implementation by the European Commission. The rapporteur, Ulrika Landergren (Sweden), noted that the strategy focuses mainly on hub airports, but some regional airports need to expand. The issue at stake would therefore be how to achieve this growth, as well as how to develop intermodal connections and clusters for regional growth, while taking into account environmental concerns.

CLECAT took the opportunity to underline the importance of air cargo to some regional airports and to regional economies, and the need to ensure modern, efficient intermodal connectivity for air cargo services. This is particularly important for the high level of road feeder services which form part of the air cargo supply chain in Europe. Other stakeholders called for greater interaction between regions in implementing the aviation strategy, a strong and ambitious external relations chapter, and collaboration among sector partners in order to develop the European aviation market. Environmental associations present also called for targeted investment at airports where there is a genuine need for capacity, so as to ensure sustainable growth, and for strict control of airport noise.

Maritime

IMO AGREES MANDATORY SYSTEM FOR COLLECTING SHIPS' FUEL CONSUMPTION DATA

The Marine Environment Protection Committee (MEPC) of the International Maritime Organization (IMO) has approved mandatory requirements for ships to record and report their fuel consumption, in a move that sends a clear and positive signal about the Organization's continuing commitment to climate change mitigation.

The mandatory data collection system is intended to be the first in a three-step process in which analysis of the data collected would provide the basis for an objective, transparent and inclusive policy debate in the MEPC. This would allow a decision to be made on whether any further measures are needed to enhance energy efficiency and address greenhouse gas emissions from international shipping. If so, proposed policy options would then be considered.

Under the system, ships of 5,000 gross tonnage and above will be required to collect consumption data for each type of fuel they use, as well as other, additional, specified data including proxies for transport work. The aggregated data will be reported to the flag State after the end of each calendar year and the flag State, having determined that the data has been reported in accordance with the requirements, will issue a Statement of Compliance to the ship. Flag States will be required to subsequently transfer this data to the IMO Ship Fuel Consumption Database.

IMO would be required to produce an annual report to the MEPC, summarizing the data collected. Data would be anonymized so individual ship data would not be recognized. The draft mandatory data collection requirements will be put forward for adoption at the 70th MEPC session in October this year and could enter into force in 2018.

The data collection system is enshrined in draft amendments to the International Convention for the Prevention of Pollution from Ships (MARPOL), which were approved by the 69th session of the MEPC, which met at IMO Headquarters in London on 18 to 22 April.

Following a wide-ranging discussion on future work to further address greenhouse gas emissions from ships, the Committee agreed to hold a working group at MEPC 70 for an in-depth debate.

The MEPC welcomed the Paris Agreement on Climate Change and recognized it as a major achievement by the international community. It also unanimously recognized IMO's own role in mitigating the impact of GHG emissions from international shipping and acknowledged the current efforts and the measures already introduced by IMO to enhance the energy efficiency of ships.

IMO Secretary-General Kitack Lim hailed the approval of the data collection amendments as a significant contribution to the ongoing work by the international community to mitigate climate change, and welcomed the positive spirit in which Member states had approached the discussion.

"It has been very encouraging to see States which had previously found it difficult to reach binding agreement on climate change measures bring the spirit of the Paris Agreement to IMO this week. The unanimous agreement to take forward a mandatory data collection system for ships' fuel consumption is a significant step. It will provide a solid basis on which to consider, armed with information, whether further measures may be required in future to mitigate GHG emissions from shipping," Mr Lim said.

Source: IMO

MOST SHIPPERS ARE FAILING TO BENCHMARK RATES

Lloyd's Lloading List reported on a study this week from Stifel which notes that shippers are buying container shipping capacity based on price, but only a small percentage are procuring freight services through automated systems. Most shippers do no benchmark rates. Few shippers, especially international shippers, are currently running their freight procurement processes through a single automated bidding tool and, according to the logistics investment analysts Stifel, while many are focused on omni-channel distribution, not many have transport procurement processes to reflect this.

Only 8% of survey respondents were currently using freight-specific procurement tools and "surprisingly, only 16% of shippers surveyed said that they used a third-party benchmarking consortium to get a handle on market rates in 2016".

Stifel said in future, automated freight-procurement tools would improve. As historical data describing rates by mode, lane, direction, time of year, time of month and 'day within week' got easier to harness and became more widely available, this would favour the largest lines, 3PLs and forwarders able to use big data and analytics to offer the lowest prices via automation of the procurement process. The largest lines, brokers and 3PLs would also have an advantage over smaller carriers by being better "able to monitor, manage, and market their service profiles more effectively" and help shippers in an automated fashion

The full article is available here.

Customs

LAST NEWS ON THE UCC AND ITS IMPLEMENTING PROVISIONS

On 1 May 2016, the Regulation (No 952/2013) of the European Parliament and of the Council of 9 October 2013 laying down the Unions Customs Code will enter into force. The Council Regulation establishing the Community Customs Code becomes redundant as from 1 May 2016 and will be repealed with effect from that date.

On 28 April 2016, DG TAXUD launched a new dedicated webpage for the UCC (available here). Among the contents accessible on this webpage, the Guidelines available for dissemination which should be shortly completed by further guidance notes still being finalised with regard to Export and Exit, Guarantees, Valuation and Decisions. The discussions on these guidance documents are ongoing between the Commission, Member States and members of the trade contact group.

In addition to the webpage, it is noteworthy that the correcting Delegated Regulation (EU) 2015/2446 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code has been published on the 27th of April 2016. The legal text is available in all official languages here. The text covers two specific cases that arose in error, and amends DA Regulation 2015/2446.

Road

'THE PATH TO BETTER ENFORCEMENT'

CLECAT was invited to a lunch debate this week debating 'The path to better enforcement'. The event was organised by the IRU, the Nordic Logistics Association (NLA), the Dutch Association for Transport and Logistics (TLN), and Euro Contrôle Route (ECR) together with Wim van de Camp MEP a group coordinator of the Transport Committee of the European Parliament. The event focused on the revision of legislation for the commercial road transport sector expected at the end of this year. Issues related to enforcement will be an important part of these legislative proposals.

A number of clear suggestions aimed at improving the efficiency of enforcement were made by IRU, NLA, ECR and TLN. They are:

1) Enforcement impact assessment: make enforceability a key aspect of any new legislation during the negotiating process
2) Resources: Ensure the efficient use of existing resources by having targeted, intelligence based enforcement.
3) Data exchange: invest in more cooperation between Member States
4) High level Group: establishment of a high level group of competent authorities to regularly follow up after rules are designed and implemented.

General

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

EC PUBLISHES REPORT ON STATE OF PLAY OF TTIP NEGOTIATIONS

The Commission has published a report which presents a detailed break-down of progress made in the ongoing negotiation of a trade agreement between the EU and the United States, the Transatlantic Trade and Investment Partnership (TTIP).

To read more please visit: http://trade.ec.europa.eu/doclib/press/index.cfm?id=1488

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

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

ECASBA seminar
26-27 May, Lisbon, Portugal

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

ESPO Conference
2-3 June, Dublin

AEA event on Innovation in European Air Cargo
13 June, Brussels

TOC Hamburg
14-16 June, Hamburg, Germany

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

EP/COUNCIL MEETINGS

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

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

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