CLECAT european voice of freight logistics and customs services •

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NEWS FROM BRUSSELS

TRAN Hearing on the Road Haulage market

The European Parliament Transport Committee held a hearing on 5 May on the road haulage market and its social dimension. The hearing focused on the future challenges of the European haulage market and haulage market actors. The Commission will submit in 2016 a **Road Package**, therefore a lot of interest from the European Parliament.

Fotis Karamitsos, Director MOVE D, European Commission, gave a key note speech on EU legislation on social conditions in the road haulage. The **Road Package** in 2016 will combine social, market and enforcement initiatives. It will seek to balance the better efficiency and transport safety so that drivers can fully benefit. The Package will include legislative and non-legislative proposals on road pricing, social aspect and enforcement and market access. This includes:

- a review of the Eurovignette directive, as the White paper already announced further road pricing based on the polluter pays principle
- a social pillar as the Commission is fully committed to the social agenda
- a revision of the current cabotage regulation as part of the Road Package.

Also, the Commission may seek to clarify rules on the posting of workers in the transport sector. Reference was made to the fact that the work-programme and proposed timing, the packing will be presented in the autumn next year, is ambitious. Mr Karamitsos concluded by saying that the best way to combat social unfairness and disloyal competition is prevention. He called for a joint effort to create a culture of compliance, to educate, to raise awareness and promote sound business behaviour. The issues will be debated at the conference organised on the 4th June on social aspects of the transport sector.

Tommy Pilarp, in his capacity as vice chair of the Road institute of CLECAT, taking part in an industry panel with presentations, gave the perspective of the freight forwarders. In a strong statement he noted that the EU rules should be adhered to by everyone and that enforcement should be controlled by the Member States. However, the rules are sometimes applied in a too stringent way by Member States, for example in the case of cabotage. He gave the example of cabotage in combined transport operations involving short sea shipping, were the operator was fined for illegal cabotage. Mr Pilarp noted that Member States have implemented different enforcement, monitoring and sanction regimes for cabotage. In a strong defence of the EU internal market for road transport, he called for the need of lifting the uncertainties which currently exist in the application of cabotage rules. He emphasized the need to simplify and harmonise the current rules on access to the market.

During the discussion, MEPs focused on the following issues:

- the need to improve the enforcement of the current regulations. Most of the speakers were concerned about inadequate implementation of EU legislation and insufficient enforcement by Member States;
- the expectations and needs of the employers and employees regarding new EU legislation. The major question was whether new regulations were needed or if better enforcement of the current ones would be sufficient;
- the extent of harmonisation of social conditions of truck drivers at EU level. A number of Members were concerned about excessive coordination, which could lead to requirements that were inappropriate for some Member States;
- the German minimum wage and its impact on the free movement of services in Europe, particularly given the way it was applied to non-German companies;
- the definition of social dumping. Members discussed whether this means wages below the minimum wage in other countries or below the costs in the country where the haulage company is registered and hires drivers;
- there was general agreement that the "letter box companies" created only to avoid the social regulations are a serious problem for the market. However, many Members considered that combatting such irregularities should not be used as a justification for protectionism.

TRAN exchange with Commissioner Bulc on the Commission's work programme

Commissioner Bulc had an exchange of views with the TRAN Committee on May 5. The Commissioner reported both on the implementation of the 2015 Commission Work Programme (CWP) and the preparation of the 2016 CWP.

The Commission plans to submit an Aviation Package in the fourth quarter of 2015. This will include a Communication identifying the challenges and measures needed to improve the competitiveness of the sector. It will also include legislative initiatives, coupled with the launch of negotiations on several comprehensive EU-level aviation agreements with third countries such as Mexico and the Gulf States. The package would comprise a revision of the EASA Regulation and new rules on drones.

Other initiatives for 2015 will include: a European target to reduce serious injuries on roads; a legislative proposal seeking to improve access to public and private traffic data; a comprehensive strategy to address rail noise; and a review of the 2011 White Paper on Transport.

The Commission's main priority in 2016 Commission will be the submission of a Road Package addressing three major issues: road infrastructure pricing, market access and social and safety aspects.

The Commissioner sought the Committee’s views on the possible establishment of a Road Agency as part of this Package.

In 2016, the Commission will also work on other initiatives tentatively planned for 2017 such as the review of the Directive on the Promotion of Clean and Energy Efficient Road Transport Vehicles and the Commission’s new strategy to accelerate the decarbonisation of the transport sector.

In the follow-up discussion, MEPs focused on the following issues: enhancing road safety and addressing serious injuries on roads; rules on access to the EU road haulage market; the possible establishment of a Road Agency; social dumping and enforcement of social legislation for drivers; the minimum wage in Germany; the effect of the Gibraltar issue on pending aviation files; the decarbonisation of transport and the United Nations Climate Change Conference; the Romanian plan to close around 30% of its railway network; rail noise; inland waterways.

Source: TRAN Newsletter, 8/05/2015

Save the date: "A Social Agenda for Transport", Brussels 4 June

DG MOVE is organising a conference on June 4 in Brussels on 'A social Agenda for Transport'. The conference will gather decision makers, experts and social partners for a day of intensive discussions and workshops on important social issues related to transport policy making. Key topics for the EU Transport's social agenda include:

- How to prepare for the transport workforce of the future?
- What could be further achieved to improve employment and working conditions?
- How to strengthen the involvement of social partners in the EU transport policy?

The conference will be opened by Ms Violeta Bulc, European Commissioner for Transport, together with the European Parliament (chairs of the transport and employment Committees) and the European Economic and Social Committee. Conclusions will be drawn by Ms Marianne Thyssen, Commissioner for Employment and Social Affairs and by EU Transport Ministers. The conference is open to interested transport stakeholders at national and EU level. More info is available here

ROAD

Invitation to the Conference: "Driving road decarbonisation forwards"

European Commissioners Arias Cañete, Bieńkowska and Bulc, respectively responsible for Climate and Energy, Internal market and Industry, and Transport, are holding a high-level conference on 18th June to discuss next EU level actions on road transport decarbonisation.

The morning will comprise three consecutive panel sessions which will address road transport decarbonisation in relation to energy and climate policy, the overall strategy for transport and competitiveness. Each panel will include one Commissioner, a Member State Minister, a European Parliament Committee chair, an industry representative and a civil society representative. The afternoon will be comprised of three parallel workshop sessions where participants will be able to give their opinions and debate the way forward.

Further information about the conference can be found here

Box haulage 'needs efficiency revolution'

UK's largest container road transport firm, Maritime Transport, hopes to lead a cultural shift in the industry to improve truck productivity. The container haulage sector needs a revolution in productivity in order to have a sustainable future, according to the UK's largest container road transport firm, Maritime Transport.

In an interview with *Lloyd's List*, Maritime Transport's marketing director Andrew McNab said one quick fix to the UK haulage sector's driver-shortage problems, to make the industry more attractive, would be to increase pay, but this would put hauliers under pressure as it would be difficult to pass this cost on to customers. Instead, Maritime Transport is hoping to lead a cultural shift in the industry to improve truck productivity.

Unlike the distribution industry, which works 24 hours a day, seven days a week, the container haulage industry is inherently inefficient, Maritime Transport observed. Trucks arrive at ports in the early morning when ships arrive, drop the containers off at distribution centres for unloading in the late morning, return to the ports and the rest of time aren't in use.

To improve the situation, Maritime Transport is working with customers on re-loading empty containers where possible. It is also hoping to encourage cargo owners to allow containers to be delivered to distribution centres throughout the day. This would allow better utilisation of both trucks and drivers.

The company is trying to arrange driver shifts as effectively as possible and employ them directly so it isn't reliant on a transient agency workforce. It is also continuing to develop a forensic approach to running the business, investing in the latest fuel-efficient trucks, telematics and route- and asset-planning technology, to ensure operations are as efficient as possible.
Source: Lloyd's Loading List, 16/04/2015

MARITIME

EUROPEAN PARLIAMENT TRAN COMMITTEE DISCUSSES PORTS PROPOSAL

The European Parliament Transport Committee held an exchange of views on the proposed Ports Regulation on 5 May. The committee had suspended work on the proposal in 2014, due to the intervening elections, and in the meantime the Council has adopted a general approach which significantly waters down the Commission proposal by limiting the opening of market access.

The rapporteur, Knut Fleckenstein (Social Democrat, Germany), presented a pragmatic position on the regulation, including a commitment to financial transparency in the setting of port charges and the assurance of independent supervision and support for port users' rights, as well as ensuring clarity over state aid for port infrastructure. Many other MEPs supported measures on financial transparency, independent supervision and protection of port users' rights, as well as the need to ensure legal clarity, avoiding lengthy court disputes over the meaning of the regulation.

Mr Fleckenstein however indicated a willingness to remove many aspects of the market access chapter of the draft Regulation. MEPs from the centre-right and liberal groups called on Mr Fleckenstein to keep a balanced, comprehensive market access chapter, which the European Commission's Director for the European Mobility Network, Olivier Onidi, said was encouraging. Wim van de Camp MEP (Centre-right, Netherlands) meanwhile called on the scope of the Regulation to cover all ports, not just those on the Trans-European Network.

Prior to the debate, European shipowners sent input to the European Parliament calling for a more comprehensive and inclusive reforms package. EU shipowners asked MEPs to push for a balanced market access chapter in the Regulation, as restrictive practices and legal obstacles continue to hamper access to services in several EU ports, and covering all port services, including cargo handling. This liberalisation would not eliminate restriction on the grounds of safety and other considerations. It would merely ensure that they are applied in a justifiable, proportional and transparent manner.

CLECAT has echoed ECSA's views, welcoming MEPs' pragmatic approach to the proposal but calling for a comprehensive and balanced market access chapter, including cargo handling. CLECAT furthermore calls on MEPs to ensure that the Regulation includes measures on financial transparency, independent supervision and protection of port users' rights. CLECAT therefore supports the design of a mechanism that ensures that users are heard, but also highlights the need for independent supervision of port managing bodies as a counterweight to their natural monopoly.

ECSA's input can be found here

€2.5M TRUCK PARKING CENTRE OPENS NEAR DUNKIRK

A new €2.5 million 24/7 secure truck parking and amenities centre, accommodating up to 250 vehicles, has opened near the Port of Dunkirk. Facility aims to meet growing demand from haulage firms for secure facilities amid heightened risks of theft and illegal immigration.

DK Trucks Park (www.dktruckspark.fr) is located just off the A16 motorway, six kilometres from DFDS' Dunkirk ferry terminal. The ring-fenced centre is protected by around 40 high-definition CCTV cameras and amenities include a rest room with coffee machines and a TV, toilet and shower facilities, a self-service launderette and free wireless access.

Attracting investment of €2.5 million and manned by a team of six staff, the centre is looking to tap into the growing demand from haulage firms for secure parking facilities amid the heightened risk of theft and also the threat posed by illegal immigrants seeking passage to the UK.

Source: Lloyd's Loading List, 1/05/2015

GROWING CONCERNS ABOUT CONTAINER LINER SHIPPING ALLIANCES

There are growing concerns among manufacturers, retailers and wholesalers about the long term threats of a concentrated container liner shipping industry through alliances, the European Shippers' Council (ESC) says. The ESC has therefore announced a global review of the container liner shipping market.

Denis Choumert, Chairman of the ESC, announced the global review at the Global Liner Conference in Hamburg. Representing the logistic interests of manufacturers, retailers and wholesalers, collectively referred to as shippers, the ESC increasingly worries that these companies will have less choice in shipping their products overseas.

The ESC proposes to monitor the three main trading lanes that are important to manufacturers, retailers and wholesalers that ship their goods overseas. As well as the primary performance indicators that matter to these companies, such as spot rates, transit time, ports directly called and blank sailings among others. The worldwide survey will be carried out in the coming years, ideally by the newly formed Global Shippers' Alliance, a cooperation between the Asian Shippers' Association (ASA) and the American Association of Exporters and Importers (AAEI) and the ESC.

In order to prepare for a more concentrated container liner market, Choumert also stressed the need for shippers to collaborate on a worldwide scale and to promote cooperation between the main regulatory agencies. ‘Although the current imbalance between capacity and demand gives the impression that alliances do not have a negative impact on the market, this might change rapidly when rates and surcharges increase as weaker players will be outcompeted in the race for ever bigger ships’ Choumert concluded.

Source: BIFA Newsletter, 24/04/2015

CHINA TO IMPROVE PORT SERVICES

A guideline issued by the Chinese State Council outlined measures to improve port services and support foreign trade. To speed up customs clearance, authorities will cut red tape and minimize unnecessary work in the ports themselves. Charges for hoisting, moving and storing qualified cargo will be waived, and cargo examination procedures will be reviewed to ensure they cause minimal disturbance to businesses, according to the guideline.

"These measures focus on supporting foreign trade with easier and better customs clearance services," said Huang Shengqiang, director of the General Administration of Customs' port management office.
Customs clearance will no longer be heavily-paperwork based, instead online and digital tools will be used. This will also expedite the export rebate process. The digitalization of customs clearance will include a self-service system for tourists entering and leaving the country, as well as online apps that will simplify the import and export of vehicles.

Huang said 293 ports had been authorized to open up to foreign trade, which would not only fuel major domestic-led strategies but also drive growth in neighbouring countries. The State Council said the building of ports and infrastructure projects in countries along major global transportation channels would also be prioritized. In accordance with the underlying concepts of the Belt and Road Initiative, all ports should cooperate with each other, forming leading groups to integrate their work. In addition, enterprises will be encouraged to take advantage of these new dynamic port areas and establish offices, bases or distribution centres.

Source: Xinhua, 17/04/2015

RAIL

UIRR PRESS RELEASE: STILL IN TIME TO SET TRANSALPINE CONDITIONS RIGHT

An undesirable impact will result from the planned changes to the commercial conditions that are to apply on the Transalpine routes once extensive upgrades to the three main crossings (Lötschberg, Gotthard and Brenner) are all completed - this has been found in a study carried out by TransCare for UIRR.

Both countries that manage the important North-South transit routes through the Alps, Switzerland and Austria, have committed significant resources to enhance the rail infrastructure of these crossings with a view to reinforce the attractiveness of railway services:

- The new Lötschberg base-tunnel, complemented by the Simplon tunnel;
- The new Gotthard base-tunnel, complemented by the Ceneri base-tunnel and the 4m corridor on its approach lines;

- The reconstruction of the Brenner-line in Austria.

UIRR and the entire European Combined Transport sector strongly welcomed these investments as essential to be able to offer competitive road-rail CT rail services.

While the parameters of the planned infrastructure upgrades were well known in advance, the changes to the commercial conditions for accessing these new pieces of infrastructure were only announced recently. European Rail Freight Corridor 1 (Rhine-Alpine) is the most important axis of European CT, therefore UIRR commissioned a study by renowned logistics consultants, TransCare of Wiesbaden, to prepare a thorough analysis of what will be charged to the users of the upgraded lines in the two countries that operate them.

The results uncovered by the consultants are alarming in the case of Switzerland, where the enhanced operating efficiency offered by the improvements (faster timetable speeds and lower energy consumption) will be more than offset by the foreseen phasing out of CT subsidies and the announced new track access charge regime. So much so that avoiding these routes by taking a 150km eastward detour through the Brenner line appears to become an attractive and desirable alternative.

Fortunately there remain enough time for the decision-makers in Switzerland to take the results of this study by TransCare into account, which UIRR urges in earnest, and then to implement the necessary adjustments in order to make the new, high performance rail infrastructure also commercially competitive. This is especially important when comparing to the conditions that the competing trucking industry faces when using the parallel highways and in view of the expressed desire of the population to conduct even more of the Transalpine freight transports on rail.

Source: UIRR Press Release, 7/05/2015

LIGHTHOUSE RAILWAY RESEARCH PROJECTS LAUNCHED

The first three railway research and development projects to be funded from the European Union's Horizon 2020 programme were officially launched in Brussels on May 7. Selected by the European Commission following the first 'Mobility for Growth' call for proposals, the so-called lighthouse projects are intended to bridge the gap between the previous round of FP7 research and the Shift2Rail programme. With a combined value of €52m, Roll2Rail, IT2Rail and In2Rail are being funded from the European Union's €450m contribution to Shift2Rail. The three lighthouse projects will transition into Shift2Rail in mid-2016, when the joint undertaking is fully operational.

Roll2Rail and IT2Rail will be co-ordinated by UNIFE, while Network Rail will lead In2Rail. UNIFE Director General Philippe Citroën said the launch of the lighthouse projects was 'a major milestone', and 'the first of many stepping stones' on the way to achieving the EU's ambitious transport and competitiveness goals.
Source: RAILWAY GAZETTE, 7/05/2015

AIR

FORWARDERS SAY SHIPPER BUSINESS MODELS ARE 'CREATING AIR FREIGHT CONGESTION'

Doug Overett, UK business development director at Ceva, told an air freight seminar at last week's Multimodal exhibition and conference that while forwarders operated seven days a week, many cargo owners were still wedded to a five-day working week, contributing to uneven demand patterns and major unsustainable peaks in volumes on Fridays and weekends that put huge stress on finite space and resources at airport cargo facilities. "If we look at the congestion points at the airport, it is driven by the five-day cycle of shippers," he said. "It puts the pinch-points at the weekend, which puts pressure on the sheds and capacity." Overett said some customers had a more sophisticated approach, but believed that a lot would benefit from education about the impact of their current patterns and cycles on the air logistics chain.

Nigel Wilkins, head of UK air freight operations for DB Schenker, said his organisation had been discussing these issues with customers during the last three weeks, noting that it tended to be SME shippers that particularly wanted capacity at weekends. "We have to monitor and resource that," he said. One option to encourage behaviour that would smooth out cargo flows included offering price incentives, forwarders said, although the results were mixed. "As forwarders, we do try to be innovative. But perhaps we need to have a bit more understanding from the market place," suggested Wilkins.
Source: Lloyd's Loading List

Air Freight Resumes Modest Growth Trend

The International Air Transport Association (IATA) released data for global air freight markets, showing a modest 1.6% rise in volumes in March compared to a year ago, measured in Freight Tonne Kilometers (FTK).

The industry's March performance stands in sharp contrast to the exceptionally strong 12.2% rise reported for February. February's performance, however, was positively skewed by the combined impacts of the timing of the Lunar New Year and the labor dispute at US West Coast seaports.

Freight performance over the first quarter of the year indicates year-on-year growth of 5.3%. This is in line with general global economic trends and slightly higher than the 4.5% growth that was anticipated in IATA's December outlook. The regional growth picture remains highly mixed. Latin American and European carriers reported market contractions while Middle East carriers showed rapid growth.

Longer-term, IATA called on governments to work in partnership to remove barriers to trade. "The growth in air cargo markets has shifted down a gear. World trade and air cargo are still growing, but only in line with industrial production. Removing barriers to trade in line with the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) would deliver a much needed boost to the global economy," said Tyler. The World Economic Forum estimates that the WTO TFA could boost the global economy by as much as $1 trillion.

To view March Air Freight Results click here

CUSTOMS

The EC publishes a Digital Single Market Strategy for Europe

On 6 May 2015, the European Commission has published a Communication presenting its strategy to concretely achieve a Digital Single Market in the EU. Two of the main objectives are to break down barriers to cross-border online activity including differences in contract and copyright law between

Member States and reducing VAT related burden, and to facilitate the access to the digital market for businesses and consumers.

The strategy contains a set of foreseen actions, legislative or not, to be launched throughout 2015 and 2016. Among the numerous actions to be taken, the European Commission plans particularly to make legislative proposals in 2016 to address the issues related to the VAT regimes including:

- Extending the current single electronic registration and payment mechanism to cross-border online sales of physical goods.
- Introducing a common EU-wide simplification measure - VAT threshold - to help small start-up e-commerce businesses.
- Allowing for home country controls including a single audit of cross-border businesses for VAT purposes.
- Removing the VAT exemption for the importation of small consignments from suppliers in third countries.

Another initiative would be to propose in 2016 a European 'Free flow of data' initiative to address the restrictions on the free movement of data and unjustified restrictions on the location of data for storage or processing purposes. It will also address the emerging issues of ownership, interoperability, usability and access to data in situations such as business-to-business, business to consumer, machine generated and machine-to-machine data.

The Communication is available HERE. In parallel, a consultation on cross-border parcel delivery has been opened and aims to gather opinions on the main issues and possible areas of improvement for cross-border delivery services when sending packets and parcels across the EU.

AnNA Project meeting

On 6th May CLECAT participated in an informative meeting on the AnNa Project (Advanced National Networks for Administrations). AnNA is an EU Member States driven project - in close co-operation with the European Commission - to support the effective implementation of the EC Directive 2010/65/EU (Reporting Formalities for Ships arriving in/departing from EU ports). This Directive provides that EU countries shall accept electronic reports via a single window at the latest by 1 June 2015. The single window is the place where all information is reported once and made available to various competent authorities (customs, veterinary, sanitary, etc.) and the EU countries. Member States have implemented a single window but there is not sufficient information available to industry on what sort of single window.

GENERAL

CLECAT and FIATA at the ITF: Boosting growth through logistics connectivity

The 2015 ITF Summit theme is ***Transport, Trade and Tourism: Mobility for a connected world***.

At the 2015 Summit, **FIATA** and **CLECAT** are organising a Side Event entitled ***Logistics connectivity: The key facilitator of global trade***, which the organisers hope you may be able to attend. The Side Event will address the global nature of logistics as the main facilitator of global trade, in the perspective of how the global and regional dimensions interact to build a scenario where stakeholders benefit from one another. The Summit **programme** is available at www.internationaltransportforum.org/2015.

Following the CLECAT/FIATA session on the 29th May, a session "DO MEGA-SHIPS NEED MEGA-PORTS?" will be dedicated to maritime transport. Considering the emergence of mega-ships, this session will consider: the benefits of mega-ships, the attributes of the ports that will handle mega-ships of the future, and the policy responses to address the impacts of mega-ships.

FORTHCOMING EVENTS

CLECAT MEETINGS:

Board / General Assembly

- 2 June 2015, Brussels

Customs and Indirect Taxation Institute

- 26 June 2015, Ljubljana

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

ITF Summit Leipzig

- 27-29 May 2015

Conference "Driving Road Decarbonisation Forwards", Brussels

- 18 June 2015

Workshop on co-operation between EU Rail Freight Corridors and OSJD Corridors, Brussels

- 18-19 June 2015

FERRMED Conference, Brussels

- 17 November 2015

EP TRAN Committee

- 28 May 2015, morning and afternoon
- 15 June 2015, afternoon

Council (Lithuanian Presidency)

- Transport Council, 11-12 June 2015