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

NEWSLETTER
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News from Brussels

ELP EVENT ON IMPACT OF THE REFUGEE CRISIS

European Logistics Platform

The European Logistics Platform will organise a lunch event in the European Parliament on the 1st June. The event will be hosted by Member of the European Parliament Matthijs van Mitlenburg.

The current refugee crisis is showing that the lack of a comprehensive EU migration and asylum system seriously affects the European economy. Beyond the human aspects, there is a severe impact on one of the EU's core sectors, transport and logistics. The introduction by some Member States of additional border controls has led to further economic losses for transport and logistics companies within the EU; inevitably undermining the Single European Market.

Michael Nielsen, General Delegate to the EU, IRU will present possible solutions to alleviate the negative impact on the sector. Russell Cowley, Managing Director, Clan International will present how *migration has* impacted upon transport and logistics companies. Robert Missen from DG MOVE will give the European Commission's perspective.

You can register for the event here.

MAKING TRANSPORT MORE GREEN AND INCLUSIVE

CLECAT will attend the 2016 edition of the ITF Annual Summit that will take place on 18-20 May in Leipzig, Germany, to exchange ideas and share insights on “Green and Inclusive Transport”.

CLECAT, FIATA, ESC, IRU and Smart Freight Centre (SFC) will organise a side event on the last day of the summit to explore opportunities for business and governments to work towards ‘smarter freight’. The programme is available here. See also the BLOG on the ITF Summit website.

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
The latest information on the ITF Summit programme, speakers, and registration details are available here.

Road

“YELLOW CARD” FOR THE EC REVISED TEXT ON POSTED WORKERS

In March, the Commission presented a proposed revision of the EU’s 1996 directive on posted workers, who are sent by employers to work temporarily in another country.

Under existing law, these workers are covered by social security rules in their country of origin, which means employers can hire workers for a lower wage in countries where welfare costs are high. But the final draft of the revised directive attempts to clarify employment conditions for posted workers and gives more detail on paying workers the minimum wage in the country to which they are posted. Instead of “minimum wage,” according to the text, workers are entitled to “renumeration necessary for the protection of workers.”

The issue of posted workers has divided the EU between countries such as Germany and France, which was home to 230,000 posted workers in 2014, and Eastern European nations. The former want to reinforce controls and fight abuses including social dumping — in which work is transferred to countries with lower labor costs — while the latter say tougher controls go against EU free movement and competitiveness rules.

A group of EU countries claimed Tuesday they had enough support to try to derail a European Commission proposal to ease wage differences between local workers and those sent abroad in the bloc. According to several European diplomats, the national parliaments of 11 countries, including Poland, Denmark, the Czech Republic and Slovakia, have enough votes under EU rules to trigger the “yellow card” procedure against the Commission’s revised new text on so-called “posted workers.”

It would be only the third time the yellow card procedure has been used since it was set up under the Treaty of Lisbon. The tool gives parliaments the ability to hold up adoption of draft legislation if they consider it is aimed at something better handled at national or local level. If enough national parliaments choose to use the procedure, the Commission is required to review the text.

The full article is available here.

More information about the Posting of Workers' proposals from the EC available here.

GERMANY TO ALMOST QUADRUPLE ITS TRUCK TOLL NETWORK

On 11 May the federal German government has adopted the plan of the Transport Ministry (BMVI) to extend the national road network subject to toll for trucks (the so-called MAUT). From 1 July 2018, 40,000 km of federal roads (A and B class roads) will add to the 15,300 km of motorways where the toll already applies. Federal Transport Secretary Alexander Dobrindt estimates that the extension will bring in an additional €2bn annually. Investment in the German transport infrastructure will be increased by around 40% to €14bn a year, he added.

Rail

BORDER PROBLEMS EUROPE – SOUTH EAST EUROPE

The railway border between Macedonia (Gevgelija) and Greece (Idomeni) has been blocked since March 21st as a consequence of the refugee situation. Alternative routes are hardly usable (railway traffic restrictions in Bulgaria and Serbia have been imposed) and the Railways are not able to handle the transport volumes over the only current possible rerouting via Bulgaria to Greece (Kulata / Promachon). It has to be noted that the road border crossings between Greece and Macedonia are passable for all truck transports.

Due to diverse route closures caused by construction sites, floods, derailments and the current complete blockade of the border crossing between Macedonia and Greece, there is a negative trend which leads to more and more goods to be moved from the environmentally friendly rail transport to the road and short sea. These incidents have led to substantial cost increases and transit time extensions, with an effect that many Austrian and foreign companies lose their competitiveness and are forced to decrease their business activities or even terminate them. I

CLECAT has been alerted on this situation by its members, and is hoping on the prompt reopening of the border crossing Gevgelija / Idomeni respectively. This railway passage is of outmost importance for the future of the cargo railway market.

GOTTARDO 2016 OPENING

CLECAT has been invited to the celebration of the opening of the Gottardo tunnel, the world's longest rail tunnel opining on 1st June at Train World in Brussels.

On 11 December 2016, the Gotthard Base Tunnel will come into scheduled operation. At 57 kilometres in length, it is the longest rail tunnel in the world. It has virtually no gradients and its highest point is 550 metres above sea level. The level rail route through the Gotthard brings major benefits for freight traffic. It allows for longer, heavier trains, fewer locomotives and shorter journey times. The efficiency and reliability of rail freight traffic will increase, making it more competitive. In addition, the transport capacity of the route will increase. As many as 260 freight trains will be able to pass through the Gotthard Base Tunnel every day. On the historic mountain route, the maximum number was 180.

Air

FORWARDERS PUSH FOR THE EXPANSION OF UK AIRPORT CAPACITY

BIFA has strongly backed the UK House of Commons Transport Committee's criticism last week of the UK government for "dithering" over a decision on the expansion of UK airport capacity. Robert Keen, director general of the British International Freight Association (BIFA), said: "The 1,500 companies within BIFA share the Transport Committee's belief that the delay risks damaging UK economic growth by deterring investors uncertain about the future of Britain's communications. BIFA agrees with the Transport Committee that the UK must stop 'dithering', make a decision and set out a timetable for completing the project".

UK freight representatives have argued that the best solution for UK businesses and their freight forwarding and logistics providers would be a third runway at Heathrow Airport, where the bulk of UK forwarders are currently based, although political and public opposition for this has led to decisions being delayed repeatedly. Some argue that any decision is better than no decision at all.

As the Transport Committee stated, BIFA believes that the detailed and evidence-based work of the Airports Commission – which a year ago came up with a series of recommendations – on environmental issues provides an ideal starting point for any further work on environmental issues to be undertaken in parallel with the other pre-construction work.

"The absence of a decision on location creates uncertainty, which is exacerbated by the lack of clarity the Government has created about exactly when a decision will be taken," said Keen. "Five months on, the UK's freight forwarding community, which is the engine of Britain's international trade, is still waiting for the government to stop playing political football with the issue of aviation capacity and make a decision."

The full article is available here.

QATAR AIMS TO UNBLOCK AVIATION DEAL WITH EU

The Qatari Minister of Transport, Jassim Saif Ahmed Al Sulaiti, met with the European Commission on 10 May to reinvigorate talks on an aviation agreement with the European Union, which have been stalled for almost half a year.

Officials close to EU Transport Commissioner Violeta Bulc explained that the meeting will aim to push forward an agreement to open up European skies to Qatar Airways, while promoting better access to the oil-rich nation for European flag carriers.

As part of an aviation strategy unveiled last December, the Commission announced it would request mandates to reach "comprehensive agreements" with some of the fastest growing markets in the aviation sector, including the Gulf countries — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

But the EU's 28 national governments did not deliver the green light as fast as Bulc had expected. Member states barely discussed the issue over the first quarter of 2016. The terrorist attacks against Zaventem airport and a metro station in Brussels on 22 March contributed to further postpone discussions among EU transport ministers.

The Commission is now keen to bring the discussion back to the table, and so does Slovakia, whose government will hold the rotating EU presidency next semester, EU officials explained. The executive wants enough progress made to discuss mandates for the comprehensive agreements during the Transport Council on 7 June. This is three months later than the originally foreseen date.

However, security concerns are expected to dominate most of the discussion among EU ministers. And member states such as France and Germany are in no hurry to sign a deal with Gulf nations, given the opposition of their legacy carriers Lufthansa and Air France-KLM.

These two nations, and a few other member states, are reluctant to open European skies to powerful airlines such as Qatar Airways, Etihad and Emirates whom they accuse of unfairly subsidising their air carriers.

In its December strategy, the EU promised to address the issue of "subsidisation and unfair pricing practices" in the context of the negotiations with Gulf countries. Moreover, the document also said that "the Commission is considering proposing new EU measures to address unfair practices" from third countries and third country operators "as soon as possible in 2016".

As a preemptive maneuver, Emirates sent a letter to several European governments warning of the "growing pressure" on the Commission by Paris and Berlin, which could end up damaging connectivity and tourism growth in Europe. "It has come to our attention that there has been growing pressure on the European Commission from the French and German Transport ministers to ensure conditions are virtually impossible for all sides to adhere to, thereby freezing Emirates' flying rights as long as any negotiations are ongoing," the letter says.

CLECAT has warned the European Commission and EU Member States against introducing protectionist measures in response to competition concerns vis-à-vis third countries, which would be counterproductive, unsustainable, and would only serve to limit connectivity and growth.

Source: EurActiv

ICAO PUBLISHES AVIATION EMISSIONS DRAFT TEXT

ICAO has published its draft Assembly resolution on a global market-based measure for international aviation emissions. The text is being developed ahead of this autumn's ICAO Assembly, which is expected to adopt the measure which would apply from 2020. ICAO's deliberations follow the EU's inclusion, and subsequent suspension, of international aviation in the Emissions Trading System.

The draft text would create a global carbon offsetting scheme for international aviation (COSIA), which would require air carriers to purchase carbon offsets based on its emissions as covered by COSIA in a given year, multiplied by a growth factor. The text contains numerous exemptions and differentiations from COSIA, for certain countries or operators based upon economic or geographic circumstances.

The text also states that COSIA will be the only market-based measure applying to CO_2 emissions from international aviation, thus removing the possibility of the EU imposing ETS inclusion for international flights in addition to COSIA.

ICAO notes in the text the work which is required to take place prior to 2020, including development of a monitoring, reporting and verification system, emissions unit criteria, registries at ICAO and national levels, and a governance and regulatory framework.

The ICAO Assembly will take place in Montreal from 27 September to 7 October.

Maritime

TRANSPORT VIA NORTHERN EU PORTS IS MORE SUSTAINABLE

The Port of Rotterdam Authority and Deltalinqs commissioned Panteia a research into the environmental footprint logistics chains in Europe, and the results prove that containers can be transported cheaper as well as more sustainably via North European ports than via Southern European ports.

According to the study, the daily emissions of a 20,000 TEU vessel (TEU is a standard unit for container capacity), as measured by container, are far lower than those of a 10,000 TEU vessel. The difference in CO_2 emissions can be as high as 50%. Using large vessels therefore reduces the footprint. These large vessels call relatively more frequently at the large North European ports than at the smaller Southern European ports, because more goods are shipped to and from this densely populated region.

Imposing a Sulphur Emission Control Area (SECA) on the Mediterranean will result in reduced emission of sulphur dioxide, but in practically no changes to the market share of the various ports. The researchers call this a 'quick win' in the fight against air pollution. Currently the rules for emissions from shipping are stricter in the North Sea and the Baltic Sea than the Mediterranean. The researchers believe that the southern ports do not gain any competitive advantage from this.

The use of LNG as transportation fuel in logistics (shipping, inland shipping, truck) has a positive effect mainly on inland shipping and coastal shipping. This makes logistics chains more sustainable via ports which have a large percentage of their hinterland transport organized by barges and coastal shipping, such as the port of Rotterdam. Trains are able to run on 100% renewable energy.

A broad application of IT can improve the efficiency of logistics and the load factor of containers and transport modalities. Panteia estimates a maximum CO2 reduction of 5% to 10%.

Major shippers and logistics companies were interviewed for the study. Price is the most important criterion for them, followed by service and reliability. Sustainability is not an important criterion. Sustainability is a deal maker, but not a deal breaker yet.

The full article and the report on the study are available here.

BIGGER SHIPS GROWING IN UK SHORTSEA SHIPPING, BUT CONCERNS OVER VGM IMPACT

The big ship phenomenon appears to have spread to the shortsea shipping industry serving the UK, after investment in the sector was frozen during the past few years. Speakers at this year's Multimodal event in Birmingham questioned whether there would be enough capacity in the medium term to serve the country's freight needs.

Richard Horsewill, director of freight for the UK and Ireland at Stena Line, told delegates: "In the ferry industry, we are still recovering from the financial crisis and recession, when volumes fell, which has meant that in the past few years, capacity and demand have become more balanced. But post-recession, there has been a lack of investment in ships."

However, he added, in recent months, both Stena Line and Belgian ro-ro operator CldN have placed orders for new tonnage. Stena Line has ordered four ro-pax ferries with 3,000 lane metres capacity each, from a shipyard in China, due for delivery in 2019 and 2020. CldN, which operates the Cobelfret brand, has ordered two enormous ro-ro vessels of 8,000 lane metres, with an option for a further four.

"More capacity is coming in later, but the question is whether there will be enough capacity to meet market demand in the medium term," Mr Horsewill added. He also said that, whereas today's ferries were bespoke-built for particular routes, the newbuilds the Swedish company has ordered will be far more flexible in terms of trading areas. We will be building more ramps at the ports we use, so we can be more flexible about the way the fleet is deployed."

But Mark Copsey, chief commercial officer at MacAndrews, a UK shortsea shipping specialist owned by CMA CGM, that trend has yet to replicated in the lo-lo sector. In the lo-lo sector, nobody is investing in new tonnage of the right size, so we are running with older tonnage in the shortsea and feeder trades in Northern Europe. For the type of service we run, the 800-900 teu size is the best, but these vessels are also in demand in other markets and are being drained from this region."

However, fears of potential undercapacity in both sectors might not be realised, should legislative changes lead to a modal shift from the sea to road transport. Richard Newton, commercial director of logistics at Port of Tyne, said: "We are very worried that, with the forthcoming amendment to the SOLAS regulations – with shippers forced to declare the verified gross mass (VGM) of containers – shippers won't have their VGMs in time to load their boxes on ships, and this could lead them to look for other transport modes, such as road or trains, where they don't have to declare this information.

"It's clear that we might lose volumes to road due to this," he said, adding that carriers themselves needed to adopt a common VGM policy. "Some shipping lines are saying they will have nothing to do with weighing, while others want the ports to do it. From a shipper's point of view, there needs to be a consistent approach," he said.

Source: The Loadstar

NEW CONTAINERSHIP GROUPING 'THE ALLIANCE' UNVEILED

Hapag-Lloyd is joining forces with five Asian container lines to form a new container shipping vessel-sharing agreement on the main east-west trades, the awkwardly named 'The Alliance'.

Featuring Hanjin, Hapag-Lloyd, "K"Line, Mitsui OSK Lines, NYK, and Yang Ming, 'The Alliance' will cover all the East-West trade lanes, namely: Asia-Europe / Mediterranean, Asia-North America West Coast, Asia-North America East Coast, Transatlantic and Asia-Middle East / Persian Gulf / Red Sea.

The six parties said a binding agreement had been concluded by all partners, with the alliance scheduled to begin operation in April 2017, subject to approval from all relevant regulatory authorities. The initial term of the cooperation will be five years.

The new partnership will build one of the leading networks in the container shipping industry, combining approximately 3.5 million TEU or an 18% share of the global container fleet capacity. All six partners operate advanced fleets with more than 620 ships in total that will become the basis of a dedicated fleet deployed into the groups' future service portfolio.

"Clients will be able to enjoy an outstanding product characterised by fast transit times, high frequency sailings and expansive port coverage," the grouping said.

There has been much speculation regarding potential changes to alliance membership following CMA CGM's pending takeover of NOL/APL and the merger between the two Chinese state-backed lines Cosco and CSCL. The announcement in April of the formation of the 'Ocean Alliance' formed of four carriers from three different alliances – CMA CGM, COSCO Container Lines, Evergreen Line and OOCL – left analysts to speculate on whether some of the lines excluded from that agreement might also soon club together or risk becoming marginalized. The 'Ocean Alliance' also aims to become operational from April 2017, subject to regulatory approval.

Member carriers said in a joint statement: "This agreement is a milestone and will enable the six partners of The Alliance to offer sailing frequencies and direct coverage in the market. The unique product will feature enhanced port coverage in Asia, North America, Europe, including the Mediterranean, as well as Middle East.

"The network of The Alliance will ensure frequent sailings, high reliability and very attractive transit times for all shippers in the East-West trade lanes." The lines said more details on the services and port rotations will be published when all necessary preparations are finalised.

Writing in the Wall Street Journal, Olaf Merk of the International Transport Forum, argued that competition investigations into the alliances should focus on the alliances' buying power vis-à-vis ports, terminals and services, rather than simply looking at rates, where low prices may not necessarily be an indicator of healthy competition. This would better serve the public interest, he argues, especially where ports are publicly funded and carrier buying power is therefore diminishing the value for the taxpayer.

Source: Lloyd's Loading List, Wall Street Journal

Customs

UCC DELEGATED ACT

On 11 May 2016, the European Commission published Commission Delegated Regulation (EU) 2016/698 correcting Delegated Regulation (EU) 2016/341 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operational and amending Delegated Regulation (EU) 2015/2446.

This Delegated Regulation is not a review of the Delegated Act already published but a corrected version of it, rectifying small errors contained in the original text.

The corrected version of the UCC Delegated Act is available in all EU languages here.

DG TAXUD - ENFORCEMENT OF BORDER CONTROLS

On 11 May 2016, DG TAXUD announced the opening of a new section on its website regarding cooperation between Member States for the enforcement of border controls related to health, safety and the environment.

This new section will be updated with the progress made by two expert groups set up by the Commission, gathering experts from the 28 Member States Customs, in order to address issues related to protection of health, cultural heritage, the environment and nature (the so-called PARCS Expert Group), and product safety and compliance controls (Product Safety Expert Group).

As this new section is completely new, it is currently possible to find only some basic information about these expert groups. More information will follow according to the outcomes of their works. The new web section is available here.

Sustainable logistics

NO TARGET FOR BIOFUEL TRANSPORT AFTER 2020 IN THE EU

The recent confirmation that the European Union will no longer have a target for biofuels in transport after 2020 is sending shockwaves across the industry, which lashed out at the bloc's "populist" policies at a Brussels event this week.

"There is no silver bullet" when it comes to reducing carbon dioxide emissions from the transport sector, according to the European Commission, which will outline policy options in a "communication" on the topic in June or July.

Officials confirmed last week that EU regulations requiring member states to use "at least 10%" renewable energy in transport will be scrapped after 2020, effectively dropping a mandate for using biofuels in transport beyond that date.

Biofuels are seen as a promising alternative to diesel particularly in the trucking sector, where electrification is still a distant prospect.

"To achieve CO2 reductions there, biofuels will still play a role," said Nienke Smeets, an official from the Dutch ministry for infrastructure and the environment who was speaking at the event.

Member states "can do a lot" to reduce transport emissions at the national level, Smeets said, mentioning tax incentives and subsidies. "But there are a few things we need at EU level," she added, mentioning "clarity on biofuels legislation post-2020" as "absolutely essential".

In the Netherlands, the government has passed legislation requiring all new passenger cars to be zero emissions as of 2035, she explained, which means switching to electric mobility for light duty vehicles by that date.

"But we know that for trucks, LNG is a more likely option," alongside biofuels and hybrid electric solutions, Smeets said, adding hydrogen could also be an option for the longer term.

"For aviation and shipping, we also see a potential for biofuels because there are not that many other options to decarbonise."

The full article is available here.

General

EFSI STATE OF PLAY

The European Fund for Strategic Investments (EFSI) was created with the partial diversion of funds from the Connecting European Facility (Transport), or CEF Transport, which was adopted in 2013 to assist with the transport infrastructure developments needed to be financed by Member States in order to deliver on the common Transport Policy aims embedded in the TEN-T Regulation.

EFSI can complement other EU and national funding sources and ensure the completion of important projects in the transport sector.

In March 2016 the European Commission published its first "EFSI State of Play" Report on Transport, which features 10 transport-related projects of the first 54 topics EFSI provided funding.

Road related investments were rendered a minor role within the Specific sectoral objectives of TEN-T (Article 4 of Regulation 1316/2013). But EFSI has funding for important road projects:

- 5 of the 10 projects (50%) went for road projects in Italy, Slovakia, France, Germany and The Netherlands, while
- 2 additional projects (in Spain) contained at least partially road-related components.

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

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

Workshop for the preparation of EU guidance documents on urban logistics
14 June, Brussels

TEN-T Days and Dutch Presidency Conference
20-22 June, Rotterdam

Rail Freight Corridors' Business Conference
21 June, Rotterdam

UIC Global Rail Freight Conference
22-23 June, Rotterdam

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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