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

NEWSLETTER

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News from Brussels

EU TRANSPORT SECTOR CAMPAIGN ON THE REVIEW OF THE MFF: MORE EU BUDGET FOR TRANSPORT

29 European transport organisations, representing infrastructure managers, operators, and users in the maritime, inland waterways, railways and air sector, are again joining efforts in a campaign to urge the European Parliament and the Council to increase the Connecting Europe Facility (CEF) budget in the upcoming review of the Multi-Annual Financial Framework. This will allow to enhance the role of transport as an enabler of economic growth and jobs, currently giving jobs to 20 million persons and accounting for 10% of total EU employment, and to represent the right move towards the Trans-European Network for Transport (TEN-T) completion, creating additional jobs and economic growth.

The CEF total budget was initially 31 billion euros (2,8% of the overall MFF) but the sector is left with 2 billion euro until 2020. CEF calls experienced a massive oversubscription of three times the amount proposed and, for this reason, a high number of high-quality projects in the transport sector were rejected due to insufficient EU budget. Moreover, economic pressures have put a significant strain on national budgets, leading to a historic low level of public investments. EU economy cannot afford not completing TEN-T: non-completion of TEN-T will cause around 3.2 billion EUR GDP loss and 11 million job-years not created. This is an unbearable risk for current and future growth and jobs.

Nicolette van der Jagt, Director General of CLECAT said: ‘With this campaign, the European transport sector is asking for the necessary means to make the TEN-T network, a smart and well thought transport infrastructure plan for Europe, a reality. There is not a moment to lose if one wants to preserve and boost the competitiveness of European economy.’

CLECAT will attend the TEN-T days in Rotterdam later this month. The focus of the conference will be on the Core Network Corridors, ERTMS and Motorways of the Sea (MoS).

JOINT LETTER OF 11 TRANSPORT MINISTERS ON ROAD TRANSPORT

At the margins of the Transport Council meeting which took place on 7th June 2016, a joint letter of 11 Ministers of Transport on latest developments in the road haulage market in the European Union was handed to Commissioner Bulc. Transport Ministers of Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia express concern over recent developments in the road haulage market in the EU.

The Ministers do not question the right of Member States to introduce national minimum wages, however they note that the enormous administrative burden and costs for hauliers resulting from the national legislations is not acceptable. Taking into account the specific nature of transport and high mobility of workers in this sector, the Ministers believe that there should be harmonisation and simplification of rules in road transport on the European level. The Ministers emphasize that the application of national protectionist measures in Germany and France to transport, which will lead to the fragmentation of the Internal Market, is particularly worrying.

The Ministers call on the European Commission to take action to avoid the fragmentation of the Internal Market and consider the forthcoming road initiative a proper tool to find balance between a smooth functioning of the Internal Market and ensuring the social protection of drivers.

THE ROAD TO EFFICIENCY

CLECAT participated on 9 June in an event organised by the NGO Transport & Environment (T&E) to discuss the decarbonisation of road transport. The debate focussed on how European fuel economy standards can help EU countries meet their 2030 climate targets.

In his key note introduction Pierre Schellekens, Deputy Head of Cabinet for EU Climate and Energy Commissioner Canete, noted that Europe is entering into the next phase of defining new climate objectives for 2030, both at the European and global level. The Commission has set objectives in the Transport White Paper of 2011, notably the 60% reduction target for transport emissions by 2050 compared to 1990 levels. These targets are all the more relevant in light of the ambitious worldwide climate objectives set during the COP21 conference last year in Paris. The Decarbonising Transport Communication, expected to be published on the 20th July, will lay out plans to meet the 30% goal by 2030.

Mr Schellekens noted that without further regulation transport emissions will only fall 12% between 2005 and 2030, so more action is needed. A proposal on monitoring, reporting and certifying truck CO2 emissions, to be adopted in the first quarter of 2017, would be a first step. ‘In this context, we’re going to look into the possibility of having specific targets for heavy-duty vehicles,’ he added.

The Dutch Presidency noted that at the last informal meeting of Ministers, there was broad support among EU environment ministers for new CO2 standards for trucks and strengthened CO2 standards for cars. A large number of Ministers said that measures would be required to ensure the necessary transition towards a low and zero emission transport sector in 2050 in order to combat climate change, air pollution and 'green' Europe's economy.

Speaking in the panel at the T&E event, Achim Jüchter, senior expert for carbon efficiency at DHL noted that 'truck standards are the best way to help our sub-contractors make their fleet more efficient.' Nestlé, speaking from the audience noted that standards would help them in bringing emissions further down in their supply chains. William Todts from T&E noted that market forces have not delivered greater truck fuel efficiency so far.

Unlike Japan, China and the US, Europe currently has no CO2 emissions limits for trucks. And while emissions standards for cars have led to significant reductions in fuel consumption, truck fuel efficiency has remained stable for the last two decades.

Margo Oge, former Director of the US Environmental Protection Agency, said that truckmakers and fleet managers supported US truck CO2 standards because it was in their interests. 'We don't have a perfect baseline for trucks emissions but we have no time to be perfect to address climate change, said Mrs Oge, urging the EU to make progress with standards in Europe. Only a central European agency with the resources and power to test cars and trucks will prevent another Dieselgate scandal, she said.

Andreas Manke from Spedition Bartkowiak, a German company which gives sustainability priority, outlined what the company is already doing in terms of fleet renewal, better tyres, training and aerodynamics to improve truck efficiency. But the company would support clear rules to improve engine efficiency in trucks. 'Truck engines haven't improved much in the past 20 years while systems around it have developed', he noted.

"The 2030 goal is important for industry," said Niklas Gustafsson, the senior vice-president and chief sustainability officer at Volvo Group, one of the world's largest truckmakers. "We want to be around in 2030 and we understand the messages of Paris. We understand it is not business as usual." However, he noted that CO2 emissions from trucks were already being reduced by efforts to improve fuel efficiency, driven by competition in the industry. "Considering that trucks and buses come in several thousand shapes and sizes, there simply is no 'one-size-fits-all' approach to address CO2 emissions from heavy-duty vehicles," it was noted.

CLECAT PUBLISHES UPDATED CONTAINER WEIGHING GUIDELINES

CLECAT has issued updated guidelines on implementing the SOLAS container weighing amendment, reflecting the latest debate on the implementation process and new questions which have been raised as the rules' entry into force on 1 July draws ever closer.

The document provides guidance and best practice for freight forwarders, carriers, shippers and national authorities in complying with the requirement for containers to have a Verified Gross Mass (VGM) in order to be loaded on board a vessel.

Questions and issues covered by the guidelines include the ability for freight forwarders to issue "back-to-back" VGM declarations relying on a declaration prepared by the original shipper, in cases where the forwarder is named as shipper on the Bill of Lading. The guidelines also cover timing and means for transmission of VGM declarations, the margin of error allowed by national authorities, the recognition of authorised weighers, and the due diligence which forwarders should carry out when issuing VGM declarations.

CLECAT members are encouraged to circulate and publicise these guidelines, so that forwarders and other parties in Europe may follow a common approach to the VGM requirement, and also to make use of their recommendations in negotiation with national authorities concerning implementation measures.

The guidelines may be consulted here.

Customs

CITI MEETS IN LONDON

The Customs Institute of CLECAT met on the 10th July in London at a meeting kindly hosted by the British International Freight Association. The meeting discussed issues members have with the UCC, which entered into force on the 31 May.

The meeting was dominated by reaction to the impact of the implementation of the UCC and a wide ranging discussion followed on how specific member states are interpreting the legal provisions. A number of particular challenges were identified in a number of countries, in particular procedures. In addition some members highlighted specific issues which cause difficulties, and which are particular to only one or two member states. Particular areas of concern include direct representation and the use of guarantees, sealing under transit and the power of attorney.

Following a detailed discussion and identification of specific problems, it was agreed that the issues would be highlighted on behalf of the CITI to the Commission, both on a bilateral basis and in the framework of the Trade Contact Group.

Members of the CITI are encouraged to document specific problems in the implementation and transitional arrangements and CLECAT will continue to being these issues to the attention of the Commission services and to look for quick and pragmatic solutions that will support our membership.

Rail

MEPS CALL ON EC TO HALT UNFAIR COMPETITION ON RAIL

The European Parliament has called on the Commission to craft “a coherent EU trade strategy … particularly in relation to Japan, China and the USA” to respond to a surge of low-cost EU imports of rail supplies from countries outside the EU, primarily China. A resolution, said that the practices may constitute unfair competition that threatens European jobs. MEPs also asked that future EU trade agreements include “specific provisions which significantly improve market access for the European Rail Supply Industry.”

Low-cost steel imports have been in the spotlight recently, but the focus on rail equipment shows a broader concern for unfair competition. In a debate on Trade Defense Instruments on Wednesday, frustrations boiled over, with MEPs accusing the Council of being “irresponsible and negligent” on TDI reform, which the Parliament hopes will be used to combat unfair competition.

Source: [Politico]

Air

EU AIR TRANSPORT AGREEMENTS: COUNCIL ADOPTS MANDATES

On 7 June 2016 the Council adopted mandates that allow the Commission to start negotiations on comprehensive EU-level air transport agreements with four key partners: the Association of Southeast Asian Nations (ASEAN), Qatar, the United Arab Emirates and Turkey.

The agreement with ASEAN is set to become the first EU bloc-to-bloc aviation agreement. The UAE, Qatar and Turkey are among the most dynamic and fastest growing aviation markets. All agreements are directed at allowing market development and growth based on common rules and transparency. Melanie Schultz van Haegen, the Netherlands Minister for Infrastructure and the Environment and chair of the Council meeting, said: "Europe is showing leadership in its external aviation policy with a balanced approach consisting of market opening based on fair and transparent market conditions."

The goal of comprehensive EU-level aviation agreements is to create new business opportunities, improve market access and ensure fair competition under transparent market conditions. They also aim to increase Europe's international connectivity and ensure a high quality of service for passengers. Airlines, airports and passengers will benefit from enhanced regulatory cooperation and convergence in areas such as aviation safety, aviation security and economic regulation. The Commission will carry out the negotiations on behalf of the EU and its member states.

EU Commissioner for Transport Violeta Bulc said: "Global connectivity is a driver of trade and tourism, directly contributing to economic growth and job creation. I am pleased that we have the support from the 28 EU Transport Ministers to upgrade Europe's aviation relations with some of our key partners. Only months after its adoption, the delivery of the Aviation Strategy for Europe is firmly on track. Once agreed, these agreements will offer new business opportunities to the whole aviation sector, new routes and better fares to passengers, whilst guaranteeing a level playing field to our companies. However this is only the beginning. I now invite Member States to continue working on the remaining mandates."

The Commission will now reach out to these partners in order to start negotiations shortly.

Ministers also discussed the contribution of the EU to the ongoing talks on a global market-based measure (GMBM), which would be a key tool to reduce international aviation CO2 emissions. During the debate, member states reaffirmed their commitment to the development, under the leadership of ICAO, of a GMBM to contribute to the international climate goals. They also confirmed the EU's overall aim is to ensure a robust GMBM which is in line with the objective of carbon neutral growth from 2020, is non-discriminatory and avoids distorting competition.

A large number of ministers stressed the need for effective coordination of the EU position throughout the process. It is important to engage with the non-EU countries, listen to them and be flexible in order to find a solution that is acceptable to all.

At the same time, many ministers highlighted the importance of building on the COP21 process. Several ministers also mentioned a route-based approach as a fair solution, to ensure that airlines flying the same route face the same costs.

Source: EU Council, European Commission

Maritime

13TH ESPO ANNUAL CONFERENCE IN DUBLIN

On 2-3 June, CLECAT joined the European port industry in Dublin for the 13th edition of the Annual Conference of the European Sea Ports Organisation (ESPO).

Knut Fleckenstein, Member of the European Parliament and rapporteur on the Port Regulation: "The negotiations are advancing well, but whether or not we will find an agreement with the Dutch Presidency mainly depends on two things: the Council's willingness to show flexibility in terms of the social provisions and the progress made in the field of state aid and the block exemptions."

"Neither the port regulation nor the GBER are means to extend the concessions directive. We have a directive from 2014 with clear rules on concessions. If the commission wishes to revise it, they should do so by a legislative procedure and not by using the GBER as a back door entry."

Martina Fontanet, Senior Advisor Port and Maritime Policy, Competition, Trade Facilitation and Statistics, ESPO when presenting the report on trends in EU port governance: "The vast majority of ports consider themselves as mission driven entities where cost recovery or profit is a must. The survey also shows that port authorities are proactive TEN-T networkers and that they work towards increased transparency."

Prof. Dr. Theo Notteboom, Full Professor and High-End Foreign Expert (SAFEA, State Administration of Foreign Expert Affairs), Transportation Management College, Dalian Maritime University (DMU): "The Chinese are developing their own global core port network. Be sure to be part of it."

Lars Jensen, Chief Executive, Cyberkeel: "Cyberattackers target the easiest prey. In order to face cybersecurity challenges, ports should have contingency plans, improve staff awareness, update procedures, and develop system separation."

Henrik Hololei, Director General, DG MOVE European Commission: "Good infrastructure planning should also be to simplify our cumbersome authorization procedures. For large infrastructure projects it takes often more than 10 years from planning to building or dredging! This is why as announced in the Communication adopted on 1 June on its investment plan, we would like to explore the possibility to set up a single EU authorization framework to replace the many authorisation procedures for large projects with cross-border impacts."

Pat Cox, Former President of the European Parliament and EU Coordinator for the Scandinavian-Mediterranean Corridor: "The big added value of the TEN-T Corridors is the chance for people to talk with each other and not at the each other. If you wait for an EU grant as a primary driver, you might be waiting. Don't postpone critical infrastructure developments, please sit down and look at other financial instruments."

ALLIANCES 'TO CUT PORT CALLS TO REDUCE TRANSIT TIMES'

Container shipping alliances are increasingly focusing on faster transit times and reliability to lure shippers. But with lines reluctant to pay higher fuel bills if they speed up vessels, services are likely to be streamlined and port calls cut, according to Drewry.

The analyst said that announced changes by the 2M alliance of MSC and Maersk could quickly become the template for rival alliances. The two carriers last week outlined details of a new Asia-North Europe network that will come into effect in the third quarter peak season. Although the changes were subtle, and branding and the number of ships and services would stay the same, Drewry said alterations to port rotations would result in faster transits and fewer port calls.

"One of the benefits trumpeted a couple of weeks ago by the member lines of THE Alliance that shippers can look forward to next year was 'very attractive transit times', and it seems that the 2M carriers have decided to take up the challenge and speed things up ahead of their new rivals," said the analyst.

"Rather than increasing the operating speed of vessels – an unattractive cost proposition in light of bunker prices doubling in recent months – the 2M carriers have decided to reduce the number of ports served. Inevitably this means that they will lose some direct connections, but the pay-off is that transit times in surviving corridors can be reduced as more time is spent at sea."

Drewry said the main reduction of port calls would be in Asia, but the network changes would boost 2M's transit times to the key North European ports of Hamburg and Rotterdam. "Based on our research 2M will have the best in class [transit times] from three ports in Asia to Hamburg, and from five Asian ports to Rotterdam when the new network comes into effect," said Drewry.

"The reductions in transit times from 2m's network re-tuning are not huge, but it is clear that shippers can expect to see carriers and alliances putting speed and reliability at the forefront of their sales pitches. "It is likely that the other two alliance groups will design their own networks to be competitive with 2M."

Source: Lloyd's Loading List

Sustainable logistics

TRUCKS CAN BE 40% MORE FUEL EFFICIENT WITH EU CO2 LIMITS

European trucks can reduce their fuel bill and cut carbon emissions by up to 40% if the EU sets CO2 standards now, preliminary results of a new study by the world's leading transport research group ICCT reveals. Fuel efficiency of trucks in Europe has stagnated for the past 20 years and, without action, heavy-duty vehicles will emit more than 40% of Europe's road transport emissions in 2030.

European truckmakers dominate the world market but, unlike the US, China and Japan, the EU has no CO2 limits for heavy-duty vehicles. Truck fuel economy can be improved by increasing engine efficiency, improving tires and aerodynamics, and hybridisation. The ICCT study shows fuel economy could be 27% better by 2025 and up to 40% better by 2030.

Rachel Muncrief, truck efficiency manager at ICCT, said: *"Thanks to the new US fuel economy standards, American tractor trailers will overtake European tractor trailers as the most fuel efficient* *in the world in 2020. The EU should introduce truck CO2 standards and it should hurry up. Setting a 2020 standard would deliver three times higher carbon savings to the EU's 2030 goals than a 2025 standard."*

Meeting the EU's 2030 climate targets – as well as the more challenging targets of the Paris climate deal – will require major efforts in the road freight sector. For instance, Germany, Europe's biggest truck market, can achieve almost one-fifth (19%) of transport's contribution to meeting its 2030 climate obligations with the adoption of CO2 standards for trucks only. Car, van and truck standards combined could deliver up to 86% of Germany's 2030 carbon budget for road transport.

Source: T&E Press release 9 June 2016

19 BRANDS PUSH FUEL ECONOMY STANDARDS FOR TRUCKS

Fuel efficiency standards for heavy-goods vehicles in Europe would save billions for businesses, lead to cheaper goods, protect the environment and boost energy independence, 19 global brands, logistics companies and green organisations, including IKEA, Nestlé, Philips, DB Schenker and Deutsche Post DHL have told European Commission president Jean-Claude Juncker. Simply monitoring truck CO2 emissions would not be sufficient to kick start the market for ultra-fuel efficient trucks in Europe, they wrote in a letter that called for post-2020 fuel efficiency for new trucks and trailers.

Road transport currently accounts for one-fifth of Europe's carbon emissions, and while trucks make up less than 5% of all vehicles on the road, they are responsible for 25% of road transport's fuel use and carbon emissions. Meeting the EU's 2030 climate targets as well as the more challenging targets of the Paris climate deal will require major efforts in the road freight sector, the companies and organisations said.

It costs about €35,000 per year to fuel tractor trailers – costs which are then passed on to consumers through higher-priced products. Realising the 35% cost-effective potential for truck fuel efficiency improvements could save businesses up to €10,000 per year, per truck, while avoiding 37 million tonnes of carbon being emitted annually by 2030. This would help big shippers, freight forwarders and hauliers to scale up their voluntary emissions reduction commitments and help the EU meet its ambitious climate goals, the letter added. he letter calls on the European Commission to make a proposal to introduce standards within the next two years.

Source: Lloyd's Loading List

General

12TH SUB-REGIONAL SEEFF CONGRESS, ODESSA

Hosted by Ukrzovnishtrans, the South East European Congress of Freight Forwarding and Logistics Companies in Odessa earlier this month been a success. The program consisted of 4 panels on two major subjects, e.g. the position and role of South East Europe in the development of Euro-Asian transport links and information technology for trade and logistics facilitation.

The meeting celebrated the 20th anniversary of SEEFF Initiative.

A Declaration to the Governments of South East European Countries has been signed by the Presidents of the freight forwarding associations of 8 countries in the region. CLECAT Secretary General Ivan Petrov gave an introduction at the meeting on behalf of CLECAT.

WORKSHOP ON EU GUIDANCE DOCUMENTS ON URBAN LOGISTICS

On 14 June, CLECAT will participate to a workshop in the framework of the preparation of EU non-binding guidance documents on urban logistics.

DG MOVE, has launched a study to facilitate the preparation of non-binding guidance documents (NBGD) on six specific aspects of urban logistics policies, as announced in the Communication "Together towards competitive and resource efficient urban mobility", COM (2013) 913 Final. The consortium responsible for this study is formed by Ecorys, University of Antwerp, University of Lisbon and Prof. Dablanc of IFSTTAR. The project was launched in March 2015 and will be completed by December 2016.

The two NBGD topics, to be covered in this workshop are:

- Engagement of stakeholders when implementing urban logistics policies,
- Logistics schemes for E-commerce.

The workshop is intended to collect first feedback of stakeholders, taking account of different interests and views in a balanced way. The EC concluded a public consultation in February on the ex-post evaluation of EU financial support to sustainable urban mobility.

RESULTS TRANSPORT COUNCIL MEETING

In addition to the adoption of negotiating mandates for comprehensive air transport agreements, the meeting on 6-7 June of the EU Transport, Telecommunications and Energy Council also agreed on a general approach on new rules concerning the recognition of professional qualifications in inland navigation. The draft directive sets up a uniform system of certification across the EU for the entire crew, from apprentices to boat masters. It will create better career prospects and promote job mobility across borders.

Ministers held a policy debate on nitrogen oxide (NOx) emissions from diesel cars. Ministers considered that efforts should be made to clarify the application of existing legislation on defeat devices in order to reduce NOx emissions from vehicles. In parallel, relevant type approval rules are currently being revised and we are close to the introduction of mandatory 'real driving emissions' tests.

The Council also took note of progress made on a proposal to revise the current regulatory framework on aviation safety, which includes the first-ever EU-wide rules on the use of drones and important new provisions on safety-related security matters.

Source: EU Council Website

EU TRADE IN SERVICES RISES AGAIN IN 2015

EU services exports rose to €811.2 billion in 2015, a 5.7 percent increase since 2014, according to a Commission report released yesterday. In addition, services imports also increased to €660.5 billion, an 8.9 percent jump since 2014.

From 2010 to 2015, international trade in services has grown twice as much as international trade in goods. However, due to import growth exceeding export growth, the €150.7 billion surplus in services marks a €12.2 billion drop from 2014. The surplus is largely due to huge exports in telecommunications, computer and information services (+€58.9 billion), while the largest deficit was charges for intellectual property (-€43.1).

Per usual, the U.S. remained EU's largest trading partner, with €212.1 billion in services being exported and €202.8 billion coming in.

Source: Politico

Forthcoming events

CLECAT MEETINGS

Board/General Assembly
22 June 2016, Rotterdam

Rail logistics institute
22 June 2016, Rotterdam

CITI Meeting
6 September, Brussels

Conference on UCC
6 September, WCO, Brussels

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

Freight Forwarders Forum 2016
16 November, Brussels

OTHER EVENTS WITH CLECAT PARTICIPATION

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

T&E Rail Freight Workshop
5 July, Brussels

ELP Forum
15 November, Brussels

EP/COUNCIL MEETINGS

European Parliament
- **Transport and Tourism Committee**
  15/16 June, Brussels
  11/12 July, Brussels
  1 September, Brussels
- **Plenary Session**
  22 - 23 June, Strasbourg

Council of the European Union
14 October 2016 - Transport, Telecommunications and Energy Council

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