european voice of freight logistics and customs services •

Newsletter Issue 26 / 9 July 2015

NEWS FROM BRUSSELS

LUXEMBOURG EU PRESIDENCY SETS ITS PROGRAMME AND PRIORITIES

On 1st July, Luxembourg took over the six-month rotating Presidency of the Council of the European Union from Latvia.

The priorities briefing note of the Presidency notes that 'the Luxembourg Presidency will strive to achieve the aims of the European transport policy, namely effective, safe, reliable, accessible and socially responsible mobility. It will also endeavour to create suitable conditions for a sustainable, innovative transport industry that generates first-rate jobs and good working conditions in order to bolster the EU's prosperity and economic competitiveness, whilst respecting the social, financial and ecological balance.'

It continues that 'Particular attention will be paid to social issues and possible harmonised European responses. In a bid to promote the least polluting means of transport, the Luxembourg Presidency will continue work on the Fourth Railway Package both within the Council and with the European Parliament, and will try to make progress on the proposal regarding technical requirements for inland waterway transport. The Presidency wants to actively promote a strategy of sustainable mobility including integrated urban planning'.

In the context of the review of the 2011 Transport White Paper, the Presidency will launch a wide-ranging debate on the European transport policy so that the review takes place in a results orientated spirit.

Programme of the Luxembourg Presidency, 1/07/2015

The website for the Luxembourg Presidency is: www.eu2015lu.eu

FIRST PLENARY MEETING FORUM ON DIGITAL TRANSPORT AND LOGISTICS

CLECAT participated at the first meeting of the Forum on Digital Transport and Logistics (DTLF) which took place in Brussels on the 1st and 2nd July. The first meeting was an interesting mind-mapping of all the issues that are up for discussion. Mr Sandro Santamatto, Head of Unit of the Logistics unit in DG MOVE said at the end of the meeting that the Commission will now send out a questionnaire to participants in which they have the possibility to outline their priorities. Following this the Commission will propose a work-divide. A request to 5 DG's to participate was made.

The Commission emphasized at the beginning of the meeting that they will not start from scratch but that it will further existing initiatives such as the e-Maritime concept which aims at promoting the competitiveness of the European maritime transport sector and a more efficient use of resources through better use of Information and Communication Technology (ICT) tools.

Modern ICT systems provide undeniable benefits that are not allowed by paper based information as automated information verification and analysis, processing of data and optimisation routines, easy sharing of information already submitted or stored and so on. However, many of the current processes and regulations, even if electronic, are still based on procedures established for paper transactions.

The Forum will seek to identify the needs and prepare for common actions at EU level for improving freight transport and logistics with more efficient use and reuse of digitalised information currently produced and stored by many different stakeholders. Such actions would aim to improve sharing of information that allows users to choose the transport service most suited to their needs, reduce the time and resources absorbed by compliance with administrative requirements and enable transport and logistic service providers to optimise the management of transport assets in real-time, thus facilitating the establishment of environmentally efficient transport and logistic services for all users.

ROAD

CLECAT calls for suspension minimum wages law in Germany

In a recent letter to the European Commission CLECAT has welcomed the recent decision of the European Commission to start infringement proceedings against Germany for the application of its minimum wage law on international road transport operations. CLECAT fully supports the reasons articulated by the Commission for this action, as the additional bureaucratic burden to the industry seriously undermines the free movement of goods in an internal market.

However, since the economic risk for the industry is large and the law is still being applied to cross-border transport operations today, CLECAT has asked the Commission to call for an immediate suspension of the whole legislation as regards not only international transit, but also international transport to-and from Germany, while the infringement process is underway.

Also, CLECAT has called on the European Commission to not only challenge ‘certain international transport operations’ but the inclusion of all international transport to- and from Germany. Applying the law to ‘certain’ international transport would in the opinion of CLECAT continue to create disproportionate administrative barriers which prevent the internal market from functioning properly.

The division of different parts of the trip, taking part in or outside Germany, will be extremely difficult to monitor or document, leading to more bureaucracy, especially if other countries follow the example of Germany.

Introduction of Minimum Wages in Norway: need for legal clarification

Norway has now already followed the example, since Regulation on minimum wages in Norway is in place as of July 1st 2015. According to the Norwegian Tarriff board this law should be applicable to international transports even if the haulier is not established in Norway. Previously the Tarriff Board has stated on the Norwegian government’s website that the Regulation on minimum wages should not apply to international transports. The Board now says that Regulation may apply in cases where a Norwegian exporter uses a foreign-non Norwegian road haulier to carry out and perform the transportation of goods and where the international transport is organized through a foreign non-Norwegian third party (such as an freight forwarder), and also where a foreign non-Norwegian entity (such as a Freight Forwarder) orders a further international transport to be carried out in Norway, that entity may be regarded as established in Norway (even though it is not, our comments). The Tarriff Board justifies this new interpretation with the applicability of the EU-Directive on Posted Workers (EC) 96/71 but it is not a given fact that a driver is "posted" in Norway if he is performing only international transports to/from Norway.

MARITIME

THE IMPACT OF MEGA-SHIPS ON SUPPLY CHAINS

In a BLOG published in Llody's Lloyding List, Nicolette van der Jagt, Director General of CLECAT, comments on trends in the container supply chain.

Welcoming the recent report from the International Transport Forum (ITF) on 'the Impact of Mega-Ships' she notes that 'the report makes some assumptions on the impact of peaks on congestion to and from the port, and costs related to the time loss to trucks, but does not go further on this or recommend contingency plans. It would also be interesting to see the impact on the logistics players in the supply chain, freight forwarders and shippers, translated into a monetary value. Delays and disruptions caused by mega-ships lead to additional transaction and coordination costs which are not to be underestimated. This is something that may merit further study by the ITF which has so far claimed that the costs are mostly covered by the operators (trains, barges, trucking companies) forgetting that there are pass-on costs onto the logistics chain.

Freight forwarders are equally following the trend of further concentration in the market, which is closely related to the 'mega ships' leading to service concentration, reduced choice and more limited supply chain resilience, especially since bigger ships have coincided with increased cooperation of the main shipping lines in four alliances.'

CLECAT is interested in the ITF recommendation – at the end of its report - for constructive discussion with the relevant transport stakeholders, including governments, regulators, port authorities and all interested constituents that would lead to better coordination and improved supply chain coordination. The reality is, as noted in the ITF report, that 'container lines have typically not consulted anyone on new mega-ships, before they ordered these.' The question is whether this will change in the future. Coming to a tipping point, it is hoped that some carriers take the initiative to differentiate their services and to offer services with smaller ships, offering more flexibility and more reliability. CLECAT will open the debate on this at its Freight Forwarders' Forum on the 19th November in Antwerp.

For the full block see THE IMPACT OF MEGA-SHIPS ON SUPPLY CHAINS

FRENCH HAULIERS FEAR FRESH CALAIS BLOCKADE

French freight transport representatives have warned that the threat of a new blockade of Calais, which is feared to be imminent, could take its member firms that are heavily dependent on the cross-Channel freight trade to the brink. The threat of a new blockade of Calais is likely to weigh heavily on today's talks between the Syndicat Maritime Nord (SMN) union, which has orchestrated the recent protests, and France's Transport minister, Alain Vidalies.

The minister will brief the union on his discussions with Eurotunnel and DFDS and whether there any fresh proposals are on the table. This morning, Eurotunnel boss Jacques Gounon, went before a parliamentary commission to explain why his group had chosen to lease the two MyFerryLink vessels to DFDS. Ahead of the meeting between the union and the minister and prompted by fears of fresh action bringing Calais port to a standstill again, the regional branch of France's leading road haulage federation, FNTR, issued a statement in which it warned that such an outcome would take its member firms, heavily-dependent on the cross-Channel freight trade, to the brink.
"Our firms have lost more than a million euros from the recent disruption in terms of loss of turnover and the cost of having trucks stuck in queues. More than 1,500 jobs are at stake compared to the 100 or so jobs under threat at SCOP SeaFrance," it said.

Full story: Lloyd's Loading List, 9/07/2015

RAIL

4TH RAILWAY PACKAGE - CLECAT ALARMED BY COMPROMISE PROPOSAL ON GOVERNANCE

In an Open Letter to Transport Advisors of the Permanent Representations of EU Member States CLECAT has expressed its alarm concerning the governance proposals of the 4th Railway Package having seen the Council Working document for the Land Transport Working Party taking place today in Brussels.

The Luxembourg Presidency compromise proposals are watering down coordination committees, financial transparency and the functions and independence of the infrastructure manager. This will not provide the right conditions for more competition in rail freight. According to CLECAT, the success in achieving an increased share of rail freight with increased efficiencies and better services depends on fair competition and open access in the rail freight market through the development of sound business models and efficient internal management that must be achievable within the framework of a modern rail market legislation. It is impossible to achieve this without clearly separating the management of the network from the operation of services. Also for this, the RU and IM need to involve their customers through the coordination committees.

The Open Letter is available here

At the end of June, ERFA, CLECAT, T&E, UIIR, EPF and ESC also published an Open Letter urging EU Transport Ministers to pursue much-needed changes to the rail sector and remove the remaining barriers in the Market pillar of the 4th Railway Package. The Open Letter calls Member States to guarantee rails' continued relevance in the transport system and to support the following measures: a level playing field incentivising a competitive environment and private investment; more cooperation and coordination in the rail system; full financial transparency and sustainability of the rail system; quality of service and information for customers.

The Open Letter is available here

NEW APPROVAL SYSTEMS FOR RAIL INTEROPERABILITY AND SAFETY: COREPER GIVES ITS GO-AHEAD

On the 30th June, the Council confirmed a deal struck with the European Parliament on faster and less burdensome vehicle authorisation and safety certification procedures for European railways. The European Railway Agency (ERA) will play a key role in this. Together, the updated interoperability and safety directives and ERA regulation make up the technical pillar of the 4th Railway Package.

"Wrapping up a deal on the technical pillar was the Latvian presidency's first priority in the field of transport - and together with all parties involved we have achieved it", said Anrijs Matīss, the Latvian Minister for Transport. "The reform responds to requests from the European rail sector, which plays a substantial role in the EU's economy and helps make transport more environmentally friendly. The agreement will cut costs and red tape, and will thus help a sector that is presently facing growing international competition. An effective system should also contribute to jobs and growth in Europe."

The reform will give the European Railway Agency a greater role in safety certification of rail operators and authorisation of railway vehicles. Until now, when a rolling stock manufacturer wanted to place a new vehicle on the market in several EU countries, it had to lodge separate applications with the authorities of each of these countries. The situation has been the same for rail operators that want to provide services in various member states, as they need a certificate to prove that their safety management system is in order and that they are able to operate safely.

The new rules will eliminate the need for multiple applications. The ERA will issue all authorisations for vehicles intended for cross-border operations and all safety certificates to railway companies running cross-border services. National safety authorities will still have an important role in carrying out the necessary assessments. For vehicles and operators involved in national transport only, the applicant will be able to choose whether its application will be processed and the authorisation issued by the Agency or the national authority.

The ERA will take on its certification and authorisation tasks within three years after the entry into force of the regulation. Member states will have one additional year to continue with the current system if they consider it necessary. In that case, they will have to inform the Agency and the Commission of their decision and provide a justification.

To make the procedures easy and transparent, the ERA will set up an information and communication system which will act as a single entry point for all applications. In cases where the area of operation is limited to one member state, the applicant will use the system to select the authority it wants to process the application.

This more centralised authorisation and certification system brings Europe closer to a Single European Railway Area. It is expected to increase economies of scale for railway undertakings and manufacturers across the EU. It will cut administrative costs and speed up procedures, while maintaining the current high level of safety. At the same time it will help avoid any covert discrimination, in particular against new companies wishing to enter a railway market.

Source: European Council Press Release, 30/06/2015

Exchange of views with the EC on the Masterplan Romanian railway system

At the end of June, Vittoria Alliata-Di Villafranca, Director DG REGIO, and Olivier Onidi, Director DG MOVE, provided a report to the TRAN Committee of the European Parliament on the Romanian General Transport Masterplan, the development of its rail system, and EU financial and administrative support for this system. They underlined that this Plan is a national strategic document defining the major priorities and goals for future investment.

Ms Alliata- Di Villafranca, DG REGIO, noted that Romania has a very extensive railway network. However, it is not economically sustainable and strategic decisions will be necessary. She underlined that Commission will maintain the share of 38% of funding for the Romanian railway network for the period 2014-2020.

Claudia Tapardel MEP, (S&D Group), stressed the importance of focusing on the entire EU and not just Romania when it comes to cuts in infrastructure because sustainable and better quality transport is important in all of Europe. Other members believed that EU funds should be used to increase the rail system's competitiveness. They asked about the Commission's role in the preparation of the Plan and whether any EU-financed rail line was expected to be closed.

Mr Onidi of DG MOVE stressed that no closure of the Romanian rail network has been decided upon. He added that the closure of railway lines is directly linked to the problem of financing the maintenance of the rail infrastructure network. He recognized that Commission doesn't have that many instruments to help member states maintain their network, however DG MOVE and DG REGIO have a number of tools to deploy to support these countries to make the best use of railway network.

Source: TRAN Newsletter, 29/06/2015

AIR

Sluggish Air Cargo Growth Continues

The International Air Transport Association (IATA) released data for global air freight markets showing that growth continued to slow in May. Compared to May 2014, growth in freight tonne kilometres (FTK) was 2.1%, the slowest rate this year and outpaced by a capacity expansion of 4.3%. On a year-to-date basis, freight volumes are up 4% on the previous year, but much of that growth was realized in the latter part of 2014. Carriers in most regions, with the exception of those based in the Middle East, saw weak growth or even contractions. In aggregate, airlines in North and Latin America and Europe reported that their freight business was smaller in May 2015 than in the same month of 2014. Carriers in Asia-Pacific experienced slow growth as a result of poor import/export performance.

"Cargo growth has undoubtedly come off the boil. The expansion in volumes we saw in 2014 has ground to a halt, and load factors are falling. Some economic fundamentals still point to a rebound in the second half of the year, but we have to recognize that business confidence is flat and export orders in decline. There is also the risk of a shock to the economic system of a 'Grexit' from the Eurozone," said Tony Tyler, IATA's Director General and CEO.

European carriers saw demand decline by 1.3% in May, compared to a year ago while capacity grew by 2.7%. Consumer confidence remains subdued in the region, and the region is at risk of economic contagion if a disorderly 'Grexit' from the Euro were to occur. Air freight plays a critical role in global trade, transporting some 35% of goods traded internationally. The slowdown in air freight reflects a general slowing in world trade at a time when it is needed most to reinvigorate faltering economies.

Air freight results in May are available here

Source: IATA Press Release, 1/07/2015

CUSTOMS

EU AND CHINA SIGNED A JOINT STATEMENT ON AUTHORISED ECONOMIC OPERATORS

On the 29th of June, the Commission and the Customs Administration of the People's Republic of China signed a joint statement about the last steps before mutual recognition of AEOs takes effect later this year. They concluded that China's new legislation is compatible with EU customs legislation and they will carry out further technical work to facilitate trade. The AEO recognition between China and EU is part of the China-EU Strategic Framework for Customs Cooperation for the period 2014-2017. This Strategic Framework defines operational priorities and specific objectives for the cooperation with a view to facilitating and accelerating trade while enforcing intellectual property rights, promoting security, protecting citizens and the environment, and fighting fraud.

The Joint Statement specifies that prior to the implementation of the decision on mutual recognition, compatibility is still to be jointly confirmed in relation to the practical implementation of the new measures introduced by China on Customs Administration for Enterprise Credit Management. This confirmation is to address the organisational aspects relating to the certification of enterprises, the IT development requirements, the training for the auditors and the process of monitoring by customs. Moreover, the two sides are to develop the relevant IT programmes and to conduct joint testing to ensure smooth implementation of data exchanges under the mutual recognition decision. EU and China estimate that the successful completion of these actions should allow the mutual recognition decision to be implemented in November 2015.

The Joint Statement is available HERE. The related press release is available HERE.

FORMER YUGOSLAV REP. OF MACEDONIA ACCEDES TO THE COMMON TRANSIT CONVENTION

As indicated in CLECAT Circular 2015/54 CITI, the former Yugoslav Republic of Macedonia acceded to two Conventions on the 1st of July: the one on the simplification of formalities in trade of goods and the Common Transit Convention. At the same time, the former Yugoslav Republic of Macedonia is joining a system based on electronic declarations and processing, which is designed to provide better management and control of the transit of goods. This electronic system was developed with the help of EU funds under the Instrument for Pre-Accession. The European Commission considers this as an important step for trade facilitation in the region and an important achievement with a view to joining the EU in the future.

GENERAL

CLECAT WELCOMES ROBERT MURPHY TO THE CLECAT SECRETARIAT

Robert Murphy has joined the CLECAT Secretariat as its Customs Policy Advisor.

Robert has over 20 years of experience in the Irish customs service, and since arriving in Belgium in 2000 has worked in both DG TAXUD and in the World Customs Organisation. He most recently worked in the Secretariat of the European Free Trade Association in Brussels.

Public Consultation on Circular Economy-Deadline 20 August 2015

The Commission has launched a new public consultation on Circular Economy. The Commission is engaged in a thorough reflection on how the objective of circular economy can be reached in an efficient way that is fully compatible with the jobs and growth agenda.

The consultation, through an online questionnaire, seeks input from individuals and stakeholders to help the Commission to pinpoint and define the main barriers to the development of a more circular economy and to gather views regarding which measures could be taken at EU level to overcome them.

This consultation is part of the broader exercise of the Commission to present, by the end of the year, a new and more ambitious circular economy strategy aiming to transform Europe into a more competitive resource–efficient economy. This initiative will also contribute to wider EU objectives such as the Energy Union, the climate objectives and resource efficiency.

The consultation will run from 28 May until 20 August 2015 and can be found here

EC puts forward record €13.1 billion investment in transport infrastructure

At the end of June, the Commission put forward a record €13.1 billion investment plan in 276 transport projects, selected under the Connecting Europe Facility (CEF). This investment will unlock additional public and private co-financing for a combined amount of €28.8 billion. Along with the future European Fund for Strategic Investments (EFSI), the CEF will play a major role in bridging the investment gap in Europe, which is one of the Commission's top priorities. Beyond transport, it will benefit the European economy as a whole by creating more favourable conditions for growth and jobs.

EU Commissioner for Transport Violeta Bulc said, *"I am very pleased to propose the largest investment plan ever made by the EU in the transport area. The projects we selected will serve citizens and businesses alike, by upgrading infrastructure and removing existing bottlenecks. They will also promote sustainable and innovative mobility solutions. This unprecedented investment represents a major contribution to the Commission's agenda of growth and job creations. Implementing the trans-European transport network could create up to 10 million jobs and increase Europe's GDP by 1.8% by 2030"*.

Selected projects are primarily located in the core trans-European transport network. Among the beneficiaries are flagship initiatives such as Rail Baltica, the Brenner Base Tunnel, the Seine-Escaut waterway, the Caland Bridge and the Fehmarn Belt Fixed Link. Smaller-scale initiatives include cross-border projects between Groningen and Bremen, the Iron Rhine rail line, LNG (Liquefied Natural Gas) deployment plans or projects enhancing the navigability of the Danube River.

The proposed funding decision must now be formally adopted by the Connecting Europe Facility Committee, which will meet on 10 July 2015. The individual grant agreements will then be prepared by the Innovation and Networks Executive Agency (INEA) and signed with the project beneficiaries in the second half of 2015.

Source: DG Mobility and Transport Newsletter, 29/06/2015

DG COMPETITION PRESENTATION TO MEPS ON STATE AID IN TRANSPORT INFRASTRUCTURE

On June 29, Karl Soukup, Director DG Competition, explained the main principles underlying the control of state aid for transport infrastructure to the TRAN Committee of the European Parliament.

He highlighted the differences applying to airports, ports, railways and motorways. Commission investigations aimed to ensure that subsidies would not: harm competitors, overcompensate infrastructure costs or provide a selective advantage to some categories of users. These investigations had only led to a few negative decisions all concerning regional airports.

Members stressed that public funding was essential to building transport infrastructure and that consistent public subsidy rules should apply in the Union. Karima Delli MEP (Greens/EFA) expressed concern about the financing of regional airports that mainly benefit low-cost airlines. Wim van de Camp MEP (EPP Group) asked whether state aid would be taken into account when internalising external costs, for example when dredging the Rhine River. Mr Soukup stressed that it is currently under discussion the nature of some services in ports and so far there is no uniform view among member states on the nature of some services such as dredging. Wim van de Camp also asked how public financing works in rail infrastructure and Mr Soukup noted that the situation differs among member states. Michael Cramer MEP (Greens/EFA) was surprised by the low number of negative decisions taken by the Commission, in particular with regard to aid to regional airports, which had proven be commercially unviable and/or were close to each other.

Source: TRAN Newsletter, 29/06/2015

EC APPROVES €270 MILLION IN INVESTMENT AID FOR THE EXPANSION OF THE PORT OF CALAIS

The European Commission has found that public funding of €270 million to build a new cross-Channel terminal in the Port of Calais is in line with EU state aid rules. The new infrastructure furthers EU transport policy objectives without unduly distorting competition in the internal market.

The EU Commissioner for Competiton Ms Vestager, welcomed the decision: '*This is a good example of how Member States can boost infrastructure investments without damaging competition in the Single Market. This French project has attracted private funding in order to complete a project which could not have been started without this cooperation. Furthermore, this is a trans-European project that will enable a better flow of cross-Channel links and stronger trade exchanges between the UK, Ireland and mainland Europe*.'

In April 2015, the French authorities had indicated that they intended to finance a project to expand the Port of Calais, with the funding coming from the French State and local authorities in Pas-de-Calais and, subject to approval, the European Union through the *Connecting Europe Facility*. The project to expand the Port of Calais includes, in particular, the building of a new terminal. The investment will allow better operation of cross-Channel sea transport services. France carried out an in-depth financial analysis showing that the terminal operator's income from the use of the infrastructure would be insufficient to cover the investment costs over a period of 50 years. Therefore, the project could not have been carried out without public funding.

The Commission found that the public funding was limited to the minimum necessary to make the investment possible. Furthermore, the distortion of competition will be limited given the traffic growth forecasts and the fact that there are other ports and the Eurotunnel which will continue to exert competitive pressure on the Port of Calais. The Commission has therefore concluded that the positive effects of the project will clearly outweigh any potential distortions of competition brought about by the aid. The project thus complies with Article 107(3)(c) of the Treaty on the Functioning of the European Union (TFEU), which allows State aid for the development of certain economic activities, provided that it does not unduly affect trade and competition in the Single Market.

Source: European Commission Press Release, 2/07/2015

FORTHCOMING EVENTS

CLECAT MEETINGS:

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

Customs and Indirect Taxation Institute
- 15 October 2015, Brussels

Maritime Logistics Institute
- 18 November 2015, Brussels

CLECAT Freight Forwarders Forum
- 19 November 2015

OTHER EVENTS with CLECAT PARTICIPATION

IPCSA seminar on Cybersecurity
- 15 July, London

FIATA Working Group Road Transport meeting
- 25 August 2015, Varna Bulgaria

FIATA 2015 World Congress
- 8 – 13 September, Taipei

FERRMED Conference, Brussels
- 12 November 2015

EU meetings

European Parliament

Transport Committee
- 13 July 2015 (afternoon), Brussels
  Agenda available HERE
- 14 July 2015 (morning and afternoon), Brussels
  Agenda available HERE